



IMPERIAL ETHIOPIAN GOVERNMENT

Ethiopia
**SECOND FIVE YEAR DEVELOPMENT PLAN
OF ETHIOPIA**

1955-1959 E. C.

1963-1967 G. C.

OUTLINE

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ADDIS ABABA, MAY, 1963

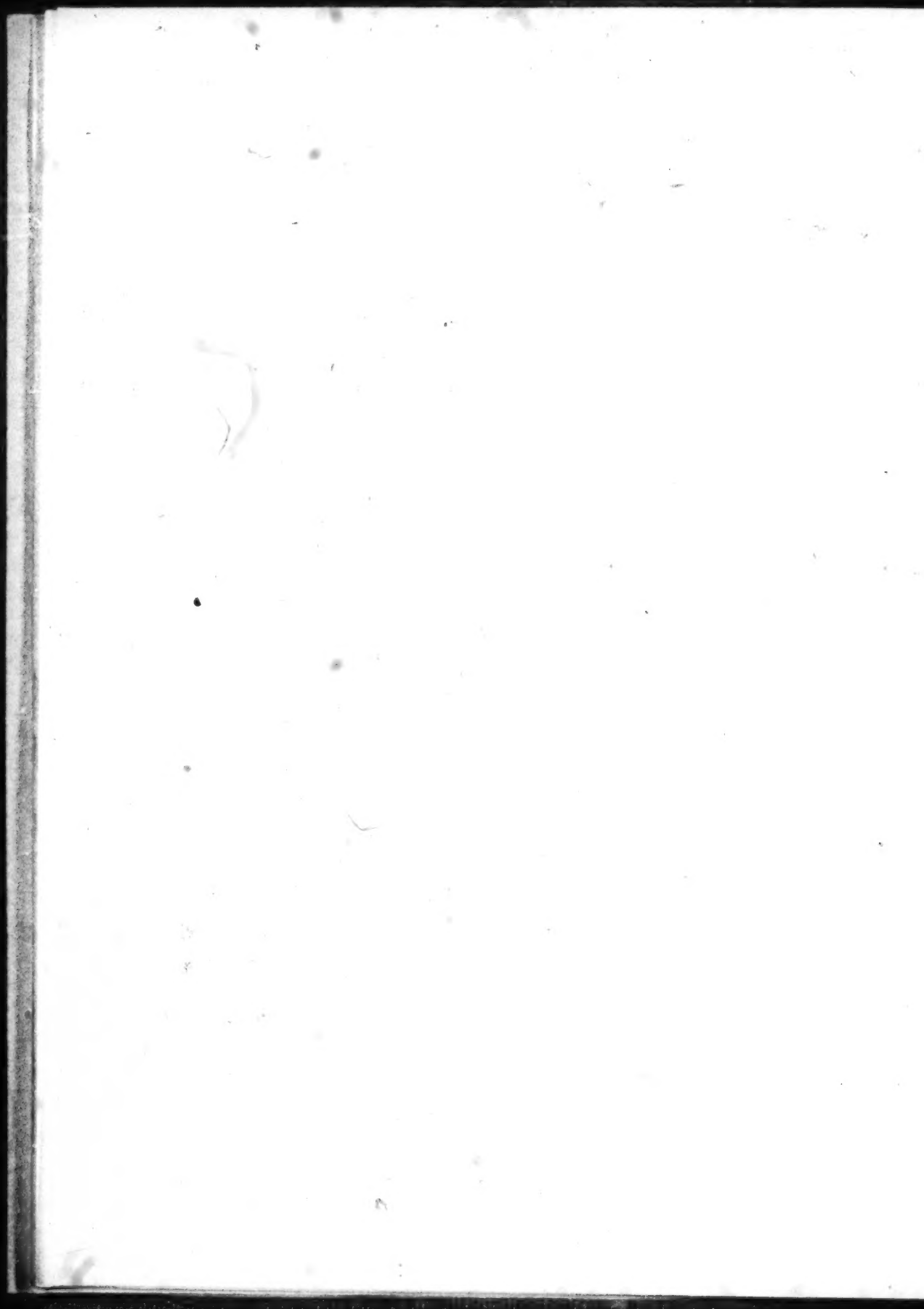
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H. I. M. Haile Selassie I
Emperor of Ethiopia

C O N T E N T S

	Page
Foreword	VII
Imperial Ethiopian Government - Planning Board	VIII
His Imperial Majesty's Address to the Nation	1
Introduction	13
Basic Development Trends - Graph	15
Long Term Economic Development	16
Gross Domestic and Gross National Product	20
Standard of Living	25
Financial Resources and Outlays	28
Budgetary Revenue and Expenditure	33
Investment	36
Agriculture	41
Mining	45
Electricity	48
Manufacturing Industry	53
Building and Construction	61
Transport and Communication	63
Trade, Catering and Tourism	67
Foreign Trade	69
Employment	73
Education	78
Public Health	85
Community Development	87
The Planning Organizations of Ethiopia	89



FOREWORD

«His Imperial Majesty Haile Selassie I, has entrusted the publication and distribution of the text of the Second Five Year Plan to the Planning Board Executive-Organ. The Executive-organ has therefore decided, in addition to publishing the complete text of the Plan, to prepare and publish this pocket-size edition, so that a larger proportion of the public may become acquainted with the targets set by the Plan.»

This edition is restricted (primarily) to the basic plan material presented in figures and the introductory text of each chapter gives the basic propositions and development directives. Those who are interested will find detailed information in the complete edition of the Second Five Year Development Plan of Ethiopia.

This edition has followed consistently the Ethiopian calendar, which begins on September 11th and is divided into 12 months of 30 days, plus an additional month of 5 days (6 days in Leap Year) called Pagoumen. It should also be noted that the Ethiopian year runs seven years, eight months and ten days behind the Gregorian Calendar.

Due to lack of some statistics, certain data had to be based on estimates and may contain a certain margin of error. It must be pointed out, however, that though certain figures may not be correct in their absolute terms, the order of magnitudes and trends shown in the Plan are correct.

Addis Ababa

May, 1963

Assistant Minister



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Ato Worku Habte Wold Assistant Minister of the Planning Board	Executive Secretary of the Planning Board and its Executive Organ
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PLAN OF ETHIOPIA.

1955 - 1959 E. C.

ADDRESS BY HIS IMPERIAL MAJESTY HAILE SELASSIE I.

(ADDIS ABABA: October 11, 1962, Tekemt 2, 1955)

The greater part of the world's population still lives in economically backward countries and the life it leads is consequently characterized by hunger, disease and other similar problems. Global peace and security can only be permanently secured if all peoples of the world pool their resources towards the complete eradication of man's common enemies - ignorance, hunger and disease.

It is well known that the international economic and social organizations established at, and operating in, various underdeveloped countries in the world are helping the economically backward countries in different ways. Some wealthy countries are also manifesting their good-will through granting loans and technical assistance. What the economically backward countries are looking forward to, however, is the application of the money now dumped on destructive armament to the solution of economic problems. Fully supporting this idea, Ethiopia has participated in disarmament conferences and is unflinchingly struggling for world peace and man's welfare and prosperity. A nation can make rapid economic growth only when it makes use of foreign economic and technical aid and, if the people make every effort towards the proper exploitation of their natural resources.

In Our speech after Our State visits to various friendly countries on August 29, 1959, We noted the various reasons as to how advanced nations have achieved their present stage. In Our study of the various social systems in the course of Our extensive tour, We have found that the reason for their successful progress lies in the fact that they have accumulated enough capital which, in turn, made it possible for them to carry out better farming, financing various projects to develop their industries, harness their rivers, and in general exploit their natural resources. Unless it is used for worthwhile investment, the hoarding of money would not yield dividends. This spirit also remains true in the case of this plan.

It has been found out that planning is indispensable for the rational utilization of both a nation's resources and foreign aid or loans.

Having recognized that, in order to improve and raise the level of the Ethiopian economy and administration and so raise our people's standard of living and economy, a plan, based on the country's needs and capabilities, is required, We gave orders for the execution of the First Five Year Plan, which came into operation 1949 E.C., prepared after a long period of study, on the basis of Our directives and by the Planning Board We had established.

As a basis of, and working procedure for, a national socio-economic policy, a plan is a means whereby a nation can be developed through the rational utilization of labour and machinery for the most important aspects of country's needs. The execution of any such plan needs, however, national participation. Planning is the basis in the rational and sustained use of capital, manpower and time in the acceleration of economic development. The opportunities We have today in having at Our disposal those advantages which the now economically advanced nations acquired after long periods of trial and exertion, namely the means to step up the rate of economic growth and purchase equipment necessary for industrial and other purposes, enable Us to implement several projects in a much shorter time.

It is evident that prior to the First Five Year Plan Ethiopia was engaged in the execution of numerous development undertakings. Long-term projects were carried out in the respective fields of public health, road transport, telecommunications, air lines and other similar aspects of development. Satisfactory results have likewise been attained. Nevertheless, a plan embracing Ethiopia's socio-economic growth, was prepared from a wide and detailed study of such undertakings as were previously carried out through experience and also for the rational utilization of labour and capital. The advantages of a plan are by no means limited to the government; a plan shows the respective goals of our country in each project, the required funds and their sources, as well as the success and failure of each year's endeavour.

Though the targets set in the First Year Plan were not all reached, the experiences gained are satisfactory. The works accomplished during the period of the First Five Year Plan are great and many; so are the changes made and improvements brought about in the phase of administration.

The history of planning shows that no pioneer plans were ever executed even partially, much less wholly.

Since a country that has a plan is aware of its requirements, Ethiopia will be able to acquire technical and economic assistance from international organizations and friendly countries for the implementation of the development projects included in its plan. Millions of dollars have been spent on the main projects carried out during the First Five Year Plan. These projects included: a survey of the Blue Nile basin, Webbi Shebelli and Awash Valley development schemes, cement factories, oil refineries, textile factories, a sugar factory, highways, telephone lines, modern ports, jet aerodromes, transport jets, hydro-electric dams and equipment, the university and several modern schools for raising the school population by 47% , as well as other economic and social undertakings. In the field of private capital, several industries and similar development enterprises have been established.

Foreign Investors Encouraged

We have never ceased to encourage foreign capitalists to work either in co-operation with Our people, or to invest their money on development works on their own. It has for long been part of the tradition of Ethiopia to welcome foreigners and to safeguard their rights and interests during their stay here. In the case especially of those foreigners who have invested capital on development projects in this country, apart from working in co-operation on the part of both Our Government officials and Our people, there has never been a case in Ethiopia's history when the property of a foreigner has been unlawfully confiscated. This is a source of pride for Ethiopia. Ethiopia will at all times welcome foreign investors who may be willing to employ their money for development works, either in partnership with Ethiopians or as private entrepreneurs. The necessary law pertaining to the money to be expended on development plans will shortly be published in the Negarit Gazeta.

As the period of the First Five Year Plan has now expired, We ordered that the Second Five Year Plan be duly prepared. After the Second Five Year Plan had been prepared and studied in detail by the Planning Board Committee which meets under the Chairmanship of Our Prime Minister, and the five Standing Study Committees, the Plan was presented to the Planning Board that We head. After an exchange of views on it and having realised that it has been prepared in accordance with the economic resources and needs of Our country, We approved the Plan and ordered that it be put into operation. As We have earlier stated, the Plan is to serve as a guide not only to Our Government but to the entire people in the Empire now engaged in the work of development.

\$ 2,670,000,000

Allotted

It has been shown in detail in the Plan that for the Second Five Year Plan, the amount of money to be spent on development projects and administration, both from Government and private sources, has been estimated at Eth. \$ 2,670,000,000.

In order that the Plan may succeed in achieving its objectives, much work has already been accomplished in advance. Among those that have been given priority are those pertaining to the promulgation of the Public Servants Pension and the Civil Service laws. For the Plan, We have ordered that various organizations be set up.

We have in the past made it known to you that We have formed several committees in all branches and departments of activity. These committees have been entrusted with the task of studying ways and means of effecting a lasting, and not a short-term programme of advancement, of finding methods of improving the administration, the application of justice, the spread of education as well as improving the system of land tenure. The Committees also study the possibility of making the administrative system of the Provinces meet modern demands and standards so far as present conditions permit, and also study ways of raising the standard of living of the people and their skill, as well as safeguarding of the people's right to equality according to each person's standard and ability.

Among the main points in Our plan for the improvement, progress and advancement of Our people is that relating to the need for an equitable arrangement with respect to the payment of taxes as well as to the tenure and allocation of land. With this aim, We have annulled various taxes that landowners had to pay in the past, relieved them of extra obligations otherwise binding, allowed that only one tax be levied, and have ordered that those Ethiopians who may not have land give evidence to this effect and be made to own half a gasha each to be used not only by the persons during their life time, but to be passed down from generation to generation as well.

Furthermore, in accordance with the order We gave to the effect that those who may have land but lack money to develop it be granted loans, the amount of money given out for the purpose has now reached Eth. \$ 3,000,000. So that the work may in future be carried out on an improved scale of performance, the setting up of a new bank that will lend money for development works is now under preparation.

We do not, however, feel proud or complacent about the progress so far made by Ethiopia in this respect as having accomplished enough. The present age compels man to go on improving. Since the way of living of people at any period is closely tied up with the particular conditions prevailing at the time, we cannot look back to Ethiopia prior to the 20th Century and criticise the manner of administration of our forefathers. The reasons and difficulties that made the way of living then what it was can be accurately known.

It would not, for example, be difficult to realise the problems and obligations created by the age we are living in now, which faced Ethiopia in her past endeavour to reach her present stage as well as in her future attempt at faster progress and development. As generations come and go, those assuming responsibility for the period do not cease to try and improve on the past in order to meet newly arising demands. In this respect, it is quite evident that to march with the time members of the coming generation should build on what their forefathers have bequeathed to them. It is because the present generation is cherishing and keeping intact what it has received from the past that it has succeeded in attaining its present stage of development, by making the necessary changes and improvements called for by conditions now existing. This would require great foresight and the work accomplished so far as regards this task of great responsibility is no small matter. It has been fulfilled as a result of God's blessing and His divine guidance.

Land Tenure Reformed

Even though the system of land tenure as well as the collection of taxes in Ethiopia may have varying forms, it is quite evident that these have their foundation in the country's past history. However, even though such a system was only suitable to the time when it was being practiced, to make it go hand in hand with the age, and thereby serve as a safe-

guard for the interest and prosperity of the country and be a means for the strengthening of the unity of the people, the old systems of land tenure and certain rights pertaining to the payment of taxes have been kept in operation. Land is also being allocated to those Ethiopians who may not be owning any at present. It has, however, been found necessary that this be improved in the light of present conditions, needs and requirements. Having realised that the money collected from taxes would be used for the development programme of the Empire, and having thought it desirable that tax collection be carried out in accordance with the Proclamation, and that no distinction be made among Ethiopians, and so that all people be given equal rights as regards the payment of taxes, a committee was formed and ordered to study ways of improving on the present system of land tenure. Having reviewed the first part of the committee's report and recommendation, We have passed the following order of amendment:

- 1) We have ordered that a bill be submitted to Parliament to be deliberated and passed into law to make people possessing land as 'Riste Cult' and 'Siso' and pay normal tax on it to the government Treasury.
- 2) The proposed proclamation be presented to Parliament for discussion with the final aim of being passed as law to improve on the traditional form of relationship, shown existing in the Civil Code, between land-owners and tenants.
- 3) Those serving for «Feresegna», «Alenga» and Ga'a land and «Cult» allowances, to be paid salaries from the Government Treasury. Those who were formerly living on allowances from 'Cult' and 'Siso' to be given land.

- 4) Government lands in the Provinces, owned by people on lease; to be given to those who have no land unless the person now possessing it has developed it with his own money and is not simply collecting regular revenue from tenants.
- 5) Crown lands throughout the Empire, the benefice of which has been allocated to augment the Civil List, will be distributed in three categories:
 - 1 - for development projects, such as industrial establishments, the building of townships and settlements;
 - 2 - as compensation for those people whose land has been taken over by the government for development purposes.
 - 3 - to patriots and exiles and to disabled veterans who have not received land before. The land that may be left over after apportioning in the above manner, is to be given either to tenants living on it or to the landless people nearby, half a gasha each.
- 6) It is our wish that all Ethiopians who are to be given government land on the basis of the order given above shall, when receiving the land so donated by the Government to raise the standard of living of the recipient, pay for registration and transfer of name, Eth. \$ 15 per gasha of fertile land, Eth. \$ 10 per gasha of semi-fertile land and Eth. \$ 5 per gasha of barren land, and so bring the land under their ownership.

As is explicitly put down in Article 38 of Our constitution, there is no need to point out that the Ethiopian people enjoy equality. Our instruction as regards reform in the land tenure system will reflect the same basic statement in the constitution. It is known to all that every Ethiopian should have land and be given money to cultivate the fallow land and that an organization to carry out this programme, has earlier been set up, is indeed well known by all. Unless the wealth of the people increases and unless they co-operate, their unity as a nation will be compromised.

Therefore we have made it in such a way that chiefs and elders, without their service in the past being forgotten, should live by working in co-operation with the people so that their own interest would be safeguarded, not to the disadvantage of others.

While the economic growth of our country and the living standard of our people are being realized to the extent of the effort We are making, and while the benefits of the endeavour We are making for the growth of our country and the prosperity of our people, it should be the duty of every Ethiopian to co-operate and work hard towards their implementation.

All these are preliminaries of the Second Five Year Plan and We hope that several socio-economic achievements will be made during the period of the Plan.

Objectives Outlined

The main objectives and targets of the Plan are:-

- 1)- To achieve a great economic results through the rational utilization of available capital and labour.
- 2)- To make use of different means of development in order to narrow the economic divergence between Ethiopia and the economically advanced countries.
- 3)- To economize money as much as possible and invest it on some useful project in order to bring about an independent growth of the Ethiopian economy.
- 4)- To obtain balanced and uninterrupted economic growth in order to raise the standard of living of Our beloved people.
- 5)- To improve and expand education, public health, fine arts and industrial projects more intensively.
- 6)- To encourage every citizen in Our Empire to be a participant in the endeavours for the economic and social development of his country, as much as his capacity and ability can allow.

The largest portion of the national income comes from agriculture and the raising of livestock. Moreover, the greater number of the population is engaged in these occupations. For these reasons, in the period of the Second Five Year Plan, agriculture holds its place in the forefront of the Ethiopian economy, and a special plan has been drafted to expand the agricultural production.

Moreover, it is designed to increase the quantity and improve the quality of the crops of coffee in particular, which up to now has remained the backbone of the country's economy. Planning is also completed to provide the country's meat industry with 600,000 to 700,000 head of live cattle annually for local demand as well as for export.

Since Ethiopia's mineral wealth is undetermined, it has been considered in the Second Five Year Plan to make more extensive prospecting to determine the country's geological wealth and open a new vista for its industrial growth.

In this Plan, it is intended to treble Our present industrial output by establishing a number of industries and factories which will utilize the country's raw materials from agriculture and mining. These industries will be useful in that they will boost the economic status of the country by producing industrial items of high demand in both local and foreign markets and also provide plenty of jobs for the people.

Realizing the great importance and usefulness attached to facilities of transportation and communications, it is designed to expand these systems by 28% in the period of the Second Five Year Plan.

It is also stipulated in the Plan to make necessary steps to better and multiply those social amenities, like education, public health, pension and other similar welfare measures, which reflect upon the living condition of the people and upon the social development of the country in general.

Calls For National Participation

In Our effort to raise the living standard of Our beloved people, in Our endeavour to bring prosperity to Our country the feeling of co-operation and understanding has always characterized Our people. A special case is the recent development in certain provinces where the people are seen voluntarily raising funds to build schools, clinics, roads and similar other projects. What can give one more pleasure than to see such a measure of self-help in one's life time? For the prosperity and progress of his own country, let every citizen of Our Empire strive hard to strengthen this esprit de corps everywhere. We entrust the spirit of good-will to Our people to work diligently and co-operatively in order to arrive at the realization of this socio-economic development that has been launched by either Our Government or Our people.

It is not sufficient to simply see and admire the natural beauty and fertility of Ethiopia. It is Our obligation to work upon and benefit from this country whose fertile soil has been granted us by the Almighty God. We have to gain honour and pride for this country.

Because of her unity and independence Ethiopia had and still has jealous enemies and aggressive dissidents. It is therefore, the primary duty of every Ethiopian to safeguard the unity and freedom that has been fortified since time immemorial by the courage and bravery of Our forefathers. We have to maintain its integrity, to work and benefit from its existence.

So that Our people can live working and enjoying the fruits of their labour in peace and order We have given modern laws and made various proclamations. For proper administration of these laws in the governorates general, provinces, sub-provinces and districts of Our Empire, We have allocated judges for the courts, police for the security, and civil servants for running the government offices. We have time and again reminded the government officials that they were assigned to serve the interest of Our people

and not the contrary. Hence, We again would like to make it known to Our government employees that without losing integrity and honesty they are hereby instructed and ordered to work diligently in whatever occupation they are engaged, for the economic growth of their country.

We have also entrusted to the Planning Board Committee which is chaired by Our Prime Minister to publish and distribute the contents of the Second Five Year Plan as well as to strictly follow and execute the new plans at hand.

If each and everyone endeavours to co-operate and work in as much as his capacity permits, Our faith rests upon the Almighty God that He would bless the results for us,

INTRODUCTION

Inspired by the Farsightedness of His Imperial Majesty Haile Selassie I, the Five Year Development Plan 1957-1961 G.C. was introduced as the first document of the overall economic and social policy of Ethiopia. By this, Ethiopia became the first African country to commence comprehensive planning for her economic and social development. This step was based on the conviction that the old spontaneous way of growth was no more acceptable to Ethiopia and that the progress could be accelerated only by planning, i.e. by a proper selection of targets and rational utilization of the available resources.

Within the framework of a long and heroic history, full of struggles for independence, freedom and human rights, the modern economic and social development of Ethiopia is a recent factor. The period which Ethiopia is undergoing at present is of a transitory nature, since it comprises its own traditional patterns of economic and social life, as well as the new ones. This is why the path of development together with the planning approach and techniques should be such as to reflect fully the Ethiopian traits which link together the national traditions and the scientific, cultural, and technological achievements of the modern world.

Ethiopia's future economic and social development is a challenge not only to the Nation but is also of a great international significance. Owing to her heroic history and present international position, Ethiopia's role in the modern world is much more important than her size and economic power, so that economic and social development is not purely an internal matter, but is also a subject of international and particularly African interest. National development] will strengthen African and international integration.

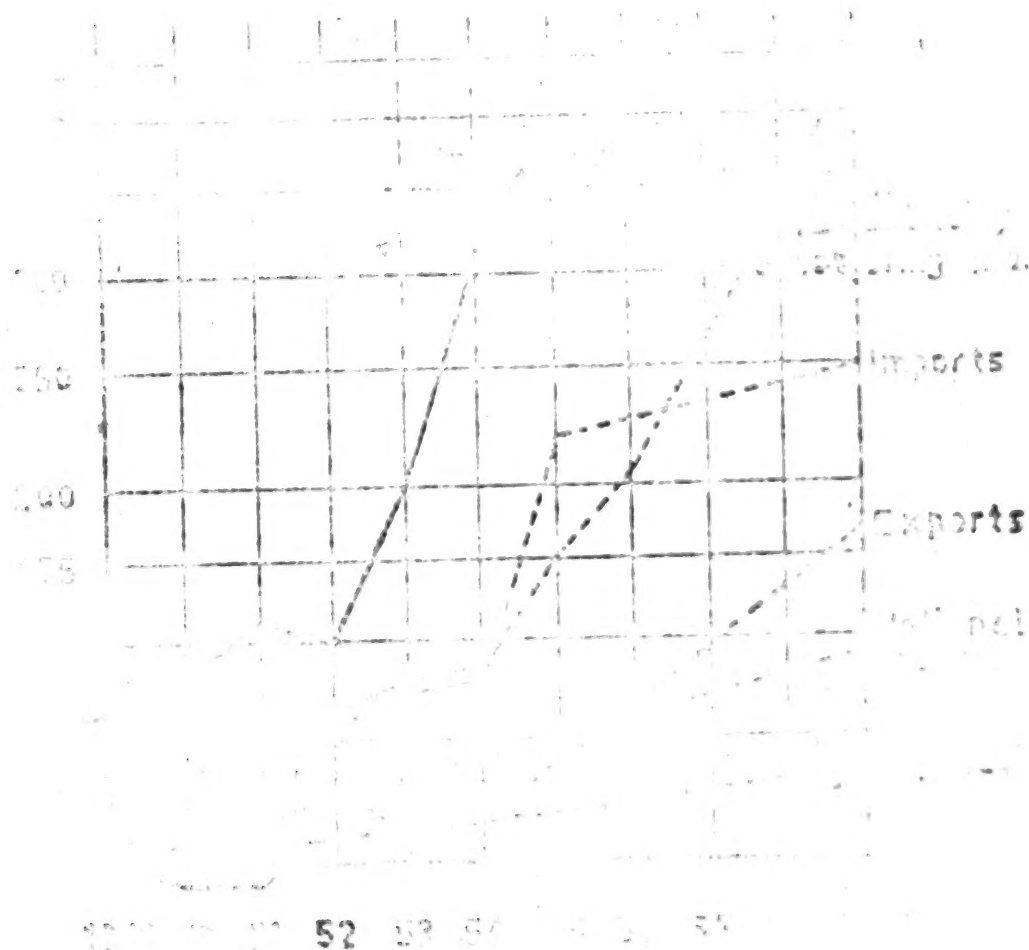
The Development Plan of Ethiopia is a national program, and as such it is a program of development for the whole Nation. It has by no means been conceived that planning is to be carried out by the Government for

the Government only, but it extends to all economic activities and all social services, whether provided by the State or by individuals. In fact, the Plan is a general framework, within which all the progressive factors should get their proper place, in order to contribute to national progress and at the same time provide for their own better present and future.

The economy of Ethiopia is a mixed economy, wherein public, private, and co-operative initiative has to play its respective role. The Plan has to guide and co-ordinate the public and private efforts, and to ensure that one side completes and complements the other. Being equally important parts of the national economy, both sectors are closely interrelated and will have to contribute to the national development accordingly.

The ultimate goal of economic and social development is to raise the standard of living. Improvement in living conditions requires a better utilization of the available natural, human, and financial resources, which should result in a larger and more diversified production and widened services. Ethiopia fortunately abounds in various natural resources, both of biological and mineral origin. To utilize this abundant wealth for the benefit of the Nation, more labor and higher efficiency, as well as better equipment, have to be used. This calls for larger investment both in equipment and the human factor. To meet these requirements, additional domestic saving has to be provided, arising from the growth of the national income, as well as from the increase in the saving capacity. In addition, everybody will have to work hard and acquire new knowledge and skills, in order to utilize properly the equipment and increase efficiency. Thus national progress and the improvement of living conditions calls for the co-ordinated efforts of all Ethiopians, wherever they work, and whatever their occupation or age might be.

BASIC DEVELOPMENT-TREND LINES 1949=100



LONG - TERM ECONOMIC DEVELOPMENT

The progress achieved over the First Five Year Plan brought into the economy new components which indicate the new tasks to be carried out in the course of the coming period. Simultaneously with the growth of economy and social services, new needs have been created so that the scope of development increased. Increasing needs are being faced with still limited resources, emphasizing the ranking of priorities, and in such circumstances planning for the Second Five Year targets and resources had to be approached as a part of a long-term development program, in order to assess properly the immediate and prospective targets, and to allocate the resources in an optimum manner.

The twenty-year development program envisages changing the Ethiopian economy from a backward, predominantly agricultural to an up-to-date and efficient agro-industrial one. Such a development relies upon abundant natural resources - primarily on the large reserves of water power, available but uncultivated arable land which will be brought to cultivation with more or less efforts to produce crops of a large variety, and on the numerous and growing livestock. Development further relies upon the determined mineral wealth as well as on the probable deposits of iron ore, crude oil, gas etc, and finally on the ample reserves of the manpower. It will be possible to mobilize this labor force, along with the development of the economy and education. This will contribute to a considerable increase of the domestic sources and the economy will be able to accept and apply the modern accomplishments of techniques and science.

The investment program for the twenty-year period has been worked out on the consideration that the bulk of investment means has to be directed to the directly productive sectors which should in the shortest possible time generate additional incomes and savings; that the development of infrastructure as a whole should be closely related to the growth of productive sectors, so as to derive the maximum of economic results from the infrastructural investment. This will call for a firm Government policy concerning saving and consumption, and the full co-operation of the business community and the general public.

LONG - TERM ECONOMIC DEVELOPMENT

GROWTH OF POPULATION * 1949 to 1974

		Population in millions	Index 1954=100	Rate of growth
Year E.C.	1949	19.4	92,4	-
" "	1954	21.0	100	1,6
" "	1959	22.9	109,0	1,8
" "	1964	25.1	119,5	1,8
" "	1969	27.3	130,0	2,0
" "	1974	30.0	142,9	2,0

ECONOMIC STRUCTURE OF THE POPULATION 1954 and 1974

	Millions		Structure		Index 1954=100	Rate of growth
	1954	1974	1954	1974		
Total Population	21,0	30,0	100	100	143	1,8
Agricultural Population	18,9	21,6	90,0	72,0	114	0,7
Non-agricultural Population	2,1	8,4	10,0	28,0	400	7,2
Out of Total Urban Population	1,5	7,6	7,1	25,3	507	8,9

* So far no population census has been carried out in Ethiopia so that the present population estimates are based on the 1949 population count, two sample surveys, and on estimates made for the First Five Year Plan.

LONG - TERM ECONOMIC DEVELOPMENT

INVESTMENT DURING THE TWENTY-YEAR PERIOD
1955 to 1974 E.C

	Millions of Eth.\$	Index First plan = 100	As Per cent of total
First Five Year Plan	840	100	-
Second " " "	1.696	202	13,4
Third Five-Year Period	2.420	288	19,1
Fourth " " "	3.516	419	27,7
Fifth " " "	5.050	601	39,8
Total : Second to Fifth five-year Period	12.682	-	100,0

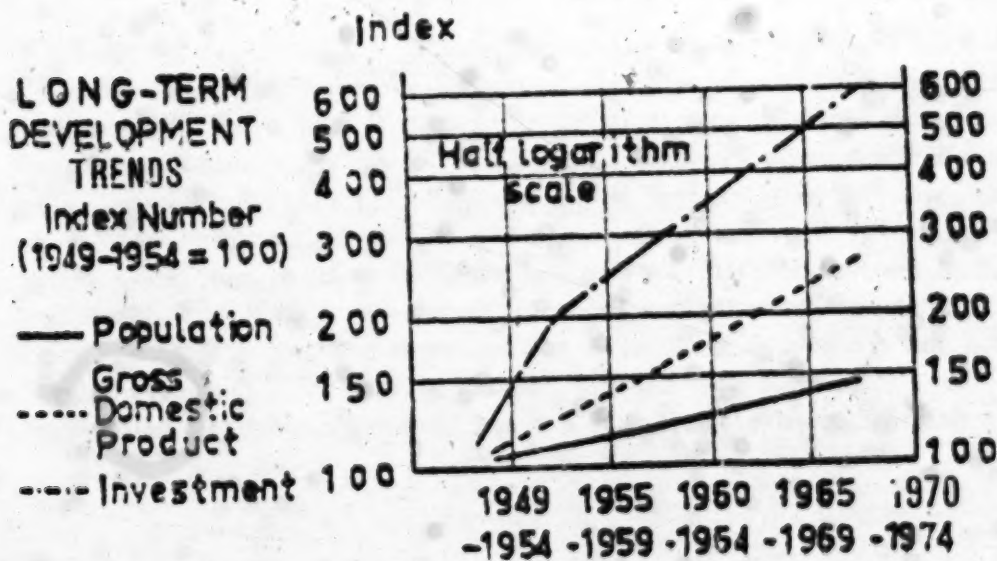
INVESTMENT AND GROSS DOMESTIC
PRODUCT PER CAPITA

	Eth.\$ per capita		Index First plan = 100	
	Investment	Gross Domestic Product	Invest- ment	Gross Domestic Product
First Five Year Plan	8,3	101	100	100
Second " " "	15,5	115	187	114
Third Five-Year Period	20,2	132	243	131
Fourth " " "	26,8	156	323	154
Fifth " " "	35,3	188	425	186

LONG - TERM ECONOMIC DEVELOPMENT

GROSS DOMESTIC PRODUCT OVER THE TWENTY-YEAR PERIOD

	Millions of Eth. \$	Index First Plan =100	Rate of growth	Rate of growth per capita
First Five Year Plan	2.130	100	3,4	1,8
Second " " "	2.632	12	4,3	2,5
Third Five-year Period	3.310	155	4,7	2,8
Fourth " " "	4.270	200	5,2	3,5
Fifth " " "	5.650	265	5,8	3,8
Average for Twenty-year Period	.	.	5,0	3,1



GROSS DOMESTIC AND GROSS NATIONAL PRODUCT

Gross national product is estimated over all kinds and all types of economic activity, including the nonmonetary economy such as agricultural production intended for personal consumption of the farmers, etc.

According to the priorities adopted for the Second Five Year Plan the fastest rate of growth is anticipated for the sectors which form the industrial groups in the broad sense, and which are actually the most propulsive ones. A high rate of growth is also forecast for building and construction, due to their role in the implementation of the investment program. High priority is attributed [also to the social and economic services, which have to assist the long-range development. In spite of the slow pace of growth of agriculture, which is a consequence of the prevailing subsistence sector, its contribution to the gross domestic product is the biggest; agriculture is expected to contribute one third of the five-year national product increment.

The development foreseen by the Second Five Year Plan should bring further changes into the structure of the national economy. In the course of the Second Plan the relative share of the non-agricultural sectors will have to increase, while the relative share of agriculture and other primary sectors (forestry, fishing and hunting) must decrease.

The implementation of the Second Five Year Plan should bring improvement into the Nation's economic and social life in all respects. Economic activity as a whole, as well as all the industries and social services, will grow and diversify. The rate of growth of all the industries and social services over the next five-year period will be higher than during any other period in the past. Per capita production will be bigger than ever at the end of the Second Plan, allowing for larger consumption and larger saving. The development trend which began in the course of the First Five Year Plan will continue and will be, in addition, more accelerated. Further changes in the structure of the national economy will occur; changes which are not only a sign of progress, but a sound foundation for future development.

GROSS NATIONAL AND GROSS DOMESTIC PRODUCT

	1949	Millions of Eth. \$		Index	Rate of
		1954	1959	1954=100	growth
Gross National Product	1.772,2	2.165,8	2.717,5	125	4,6
Relations with Other Countries	30,1	-35,4	-85,5	.	.
Gross Domestic Product	1.802,3	2.130,4	2.632,0	124	4,3

GROSS DOMESTIC PRODUCT BY MAIN SECTORS

	Millions of Eth. \$			Index
	1949	1954	1959	1954=100
Total	1.802,3	2.130,4	2.632,0	124
Primary	1.348,4	1.480,1	1.674,9	113
Secondary	114,2	163,9	300,4	183
Tertiary - economic	211,3	285,8	382,0	134
Tertiary - noneconomic	65,1	105,2	155,3	148
Government	63,3	95,4	119,4	125

	Structure in %			Rate of
	1949	1954	1959	growth
Total	100	100	100	4,3
Primary	74,8	69,5	63,6	2,5
Secondary	6,4	7,7	11,4	12,9
Tertiary - economic	11,7	13,4	14,5	6,0
Tertiary-noneconomic	3,6	4,9	5,9	8,6
Government	3,5	4,5	4,6	4,6

GROSS NATIONAL PRODUCT DISTRIBUTION 1954-1959 E.C.

	Millions of Eth. \$		Index
	1954	1959	1954=100
Total	2,165,8	2,717,5	125
Private Consumption Expenditure	1,750,9	2,056,8	117
Government Consumption Expenditure	181,0	259,7	143
Gross Fixed Capital Formation of Private Enterprises	154,1*	248,0	161
Gross Fixed Capital Formation of Government & Public Enterprises	73,2*	138,0	189
Increase in Stocks	6,6	15,0	227

* Including Savings and Depreciation carried over from 1953

STRUCTURE IN PER CENT AND RATE OF GROWTH

	Structure in %		Rate of growth
	1954	1959	
Total	100	100	4,6
Private Consumption Expenditure	80,8	75,6	3,3
Government Consumption Expenditure	8,4	9,6	7,5
Gross Fixed Capital Formation of Private Enterprises	7,1	9,1	9,8
Gross Fixed Capital Formation of Government & Public Enterprises	3,4	5,1	13,5
Increase in Stocks	0,3	0,6	17,8

GROSS DOMESTIC PRODUCT
BY SECTORS OF ECONOMY AND OF SOCIAL SERVICES
1954 and 1959 E.C.

	Millions of Eth. \$		Index
	1954	1959	1954=100
Gross Domestic Product			
Total	2.130,4	2.632,0	124
Agriculture	1.453,6	1.632,3	112
Forestry	23,3	28,1	121
Fishing & Hunting	1,8	2,9	161
Mining	1,4	11,6	829
Power	7,5	18,2	243
Manufacturing Industry	34,9	116,7	334
Handicrafts & Cottage Industry	77,0	93,1	121
Building & Construction	44,5	72,4	163
Transport & Communications	109,3	151,1	138
Trade & Commerce	136,1	171,1	126
Catering & Tourism	25,0	33,2	133
Financial Intermediaries	15,4	26,6	173
Education & Culture	28,0	48,0	171
Health	14,0	22,5	161
Community Development	0,9	7,4	822
Other Services	4,9	6,0	122
Government	95,4	119,4	125
Housing	25,8	35,4	137
Others	31,6	36,0	114

GROSS DOMESTIC PRODUCT
STRUCTURE BY SECTORS IN % AND RATE OF GROWTH
 1954 and 1959 E.C.

	Structure in %		Rate of growth
	1954	1959	
Gross Domestic Product			
Total	100	100	4,3
Agriculture	68,2	62,0	2,3
Forestry	1,1	1,1	3,8
Fishing & Hunting	0,1	0,1	10,1
Mining	0,1	0,4	52,6
Power	0,4	0,7	19,4
Manufacturing Industry	1,6	4,4	27,3
Handicrafts & Cottage Industry	3,6	3,5	3,9
Building & Construction	2,1	2,8	10,2
Transport & Communications	5,1	5,8	6,7
Trade & Commerce	6,4	6,5	4,7
Catering & Tourism	1,2	1,3	5,8
Financial Intermediaries	0,7	1,0	11,6
Education & Culture	1,3	1,8	11,3
Health	0,7	0,9	10,0
Community Development	0,0	0,3	42,8
Other Services	0,2	0,2	4,1
Government	4,5	4,5	4,6
Housing	1,2	1,3	6,5
Others	1,5	1,4	2,6

STANDARD OF LIVING

The ultimate goal of economic and social development is to raise the standard of living. The rate of growth of the standard of living anticipated for the Second Five Year Plan period is, in fact, the consequence of the policy of an accelerated growth of the economy.

The growth of personal consumption will not only expand the present volume of consumption, but should also bring about diversification of the consumption pattern, which arises from the changing wants of the population. In relation to the low national per capita income, the caloric value of nutrition seems to be quite high and its level is higher than in many other developing countries. But it is true that the present standard of living of the population is low, exception being made for its nutrition component.

The highest growth of consumption is anticipated for the manufactured consumers' goods which were previously not available on the domestic market, or not in sufficient quantities. The housing conditions, which form a very important part of the living conditions, should be improved also. Introduction of better household appliances and furniture in rural areas has also to be encouraged.

Very important components of the standard of living are public health, education, and social security as a part of general consumption. The growing demand for new schools, health centers and other social services, especially in the areas which had already been influenced by progress coincides with the intention of the Government to extend the social services. Their growth, as anticipated by the Plan, is much faster than the growth of personal consumption, due to the fact that social services are lagging behind consumption, while the national progress calls for their fast improvement. Such a policy is not only justified from the point of view of the overall national progress; it is also being supported by the desires of the people, particularly the rural population who consider education and medical care as a sign of progress and a promising future.

STANDARD OF LIVING
ESTIMATED EXPENDITURE 1954-1959 E.C.

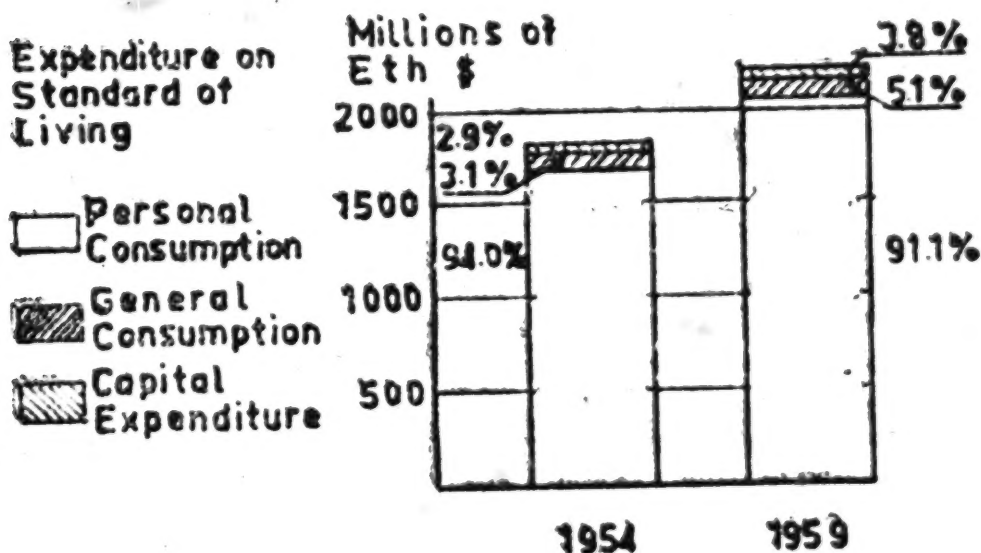
	Millions of Eth. \$		Index	Rate of
	1954	1959	1954=100	growth
<u>Grand Total : Recurrent</u>				
<u>+ Capital Expenditure.</u>	1.863,7	2.261,2	121	3,9
<u>Recurrent Expenditure</u>	1.809,5	2.174,9	120	3,5
Personal Consumption	1.751,3	2.059,8	118	3,3
Private Consumption	1.750,9	2.056,8	117	3,3
Pension Scheme Premiums	0.4	3.0	750	49,6
General Consumption	58,2	115,1	198	14,7
Public Health	18,9	35,5	188	13,4
Education & Culture	25,6	49,7	194	14,2
Community Development*	0,7	4,0	570	41,7
Other Social Services	13,0	25,9	200	14,8
<u>Capital Expenditure</u>	54,2	86,3	159	9,7
Housing	45,0	60,0	133	5,9
Social Services	9,2	26,3	286	23,4

* Out of the total only 50% is here allotted on Standard of Living

Since statistical data are lacking an estimation was made by an approximate method, because the standard of living is a very important factor and the major objective of the economic and social development.

STANDARD OF LIVING
ESTIMATED PER CAPITA CONSUMPTION 1954-1959

	Unit	1954	1959	Index 1954=100
Cereals	kg	184,0	185,2	101
Meat	kg	16,0	17,0	106
Sugar	kg	1,8	2,3	128
Cotton Textiles	sq.m	2,3	4,3	187
Footwear	pair	0,3	0,5	167
Electric Power	kwh	6,9	15,5	225
Cement	kg	2,5	4,5	180
Total per capita consumption	Eth. \$	83	89	107



FINANCIAL RESOURCES AND OUTLAYS

With the aim of providing sufficient financial funds for the implementation of the Second Five Year Plan, the national and State financial system has to be expanded and strengthened. With this in view, Government policy and measures will endeavour to increase the saving capacity of the country, to secure necessary financial means for State expenditures, to acquire the foreign resources needed to implement the Plan, to encourage and to promote investment in kind and to establish financial and other reserves to maintain a sound economic situation.

In financing the Second Plan's projects domestic sources will have a predominant role. The bulk of the planned five-year outlays will be financed by the depreciation and profits of business enterprises, by the Budget, bank loans, and other domestic sources. However, due to the uses for which it is intended, foreign financing will be of no less importance. The Government will undertake appropriate measures to extend the inflow of foreign resources, both through economic and technical assistance and by attracting foreign investors. With respect to foreign public loans, the Government will endeavor to provide sufficient funds to implement especially the program for the key projects. Foreign private capital is needed and welcome in Ethiopia. Technical assistance from the United Nations and friendly countries and Grant-in-Aid schemes are expected to play an important role particularly in the field of social and scientific development.

The Government will promote both private and public sector undertakings. Neither the private nor the public sector will have priority, both of them should closely co-operate for the progress of the Nation as a whole.

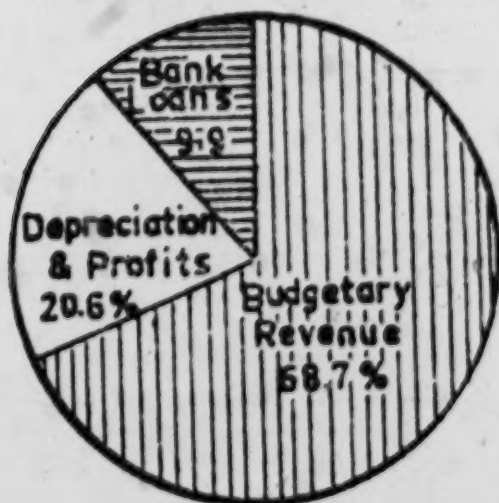
With a view to reducing the risk to a reasonable level, the financial scheme for the Second Plan has quite a strong reserve for investment, recurrent expenditure, and balance of payments. It is considered as the strategic reserve for the implementation of the Plan, and it is envisaged to be used only in case of an emergency which might hinder the implementation of the Plan.

FINANCIAL RESOURCES, 1953 TO 1959

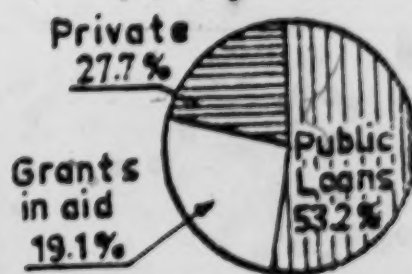
	Millions of Eth. \$	Structure in Total = 100	% Each Sector = 100
Financial Resources - Total	2,656,3	100	-
Domestic Sources	2,017,8	76,0	100
Depreciation and Profits	416,5	15,7	20,6
Budgetary Revenue	1,386,4	52,2	68,7
Bank Loans	199,8	7,5	9,9
Other Domestic Sources	15,1	0,6	0,8
Foreign Sources	638,5	24,0	100
Public Loans	339,5	12,8	53,2
Private	177,2	6,6	27,7
Grants in Aid	121,8	4,6	19,1

STRUCTURE OF THE FINANCIAL
RESOURCES

Domestic Sources



Foreign Sources



SECOND FIVE YEAR PLAN OUTLAYS

	Millions of Eth \$.	Structure Total = 100	in % Each Sector = 100
<u>Financial Outlays - Total</u>	2 656,3*	100	.
<u>Investments</u>	1 451,0	54,6	100
Economic Activities	1 125,7	42,4	77,6
Services:			
Public Administration	28,5	1,1	2,0
Social Services	79,9	3,0	5,5
Economic Services	15,9	0,6	1,1
Housing and Others	150,0	5,6	10,3
Contribution to Development Fund	10,0	0,4	0,7
Investment Reserve	40,0	1,5	2,8
<u>Recurrent Costs</u>	1 205,3	45,4	100
Public Administration	627,3	23,6	52,0
Social Services	376,4	14,2	31,2
Economic Services	96,6	3,6	8,0
Debt Repayments	95,0	3,6	7,9
Budgetary Reserve	10,0	0,4	0,8

* Investment in Kind, amounting to Eth. \$ 245 millions, are not included

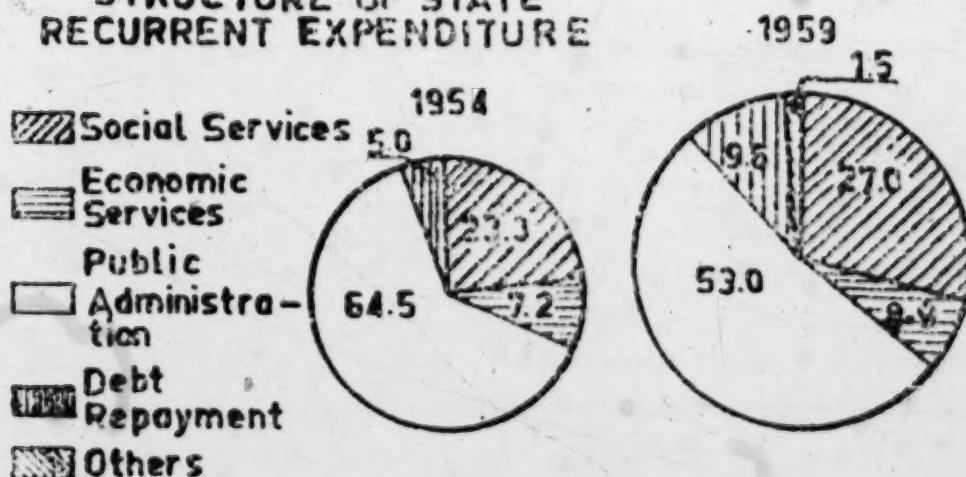
FINANCIAL RESERVE FOR SECOND FIVE YEAR PLAN

	Millions of Eth.\$	Structure in %
Financial Reserve - Total	110,0	100
Investment Fund Reserve	40,0	36
Public Servants Pension Fund	20,0	18
Budgetary Reserve	10,0	9
Surplus of the National Currency	40,0	37

STATE RECURRENT EXPENDITURE, 1954 AND 1959

	Millions of Eth.\$		Index	Rate o
	1954	1959	1954=100	growth
Total	181,0	259,7	143	7,5
Social Services	42,2	70,2	166	10,4
Economic services	13,0	23,2	178	12,3
Public Administration	116,8	137,3	118	3,3
Foreign Debt Repayment	9,0	25,0	278	22,7
Others	.	4,0	.	.

STRUCTURE OF STATE RECURRENT EXPENDITURE



FOREIGN RESOURCE REQUIREMENTS AND THEIR DISTRIBUTION

	Millions of Eth. \$	Struc- ture		Millions of Eth. \$	Struc- ture
Foreign Resource			Distribution		
Requirement	638,5	100	Total	638,5	100
Sources:			Investment in		
Public Loans and			National eco-		
Private invest-			nomy	516,7	81
ment	516,7	81	Investment in		
Grants in Aid	121,8	19	Services	37,0	6
			Recurrent Ex-		
			penditure for		
			Soc. Services	84,8	13

BALANCE OF CURRENT TRANSACTIONS

	Millions of Eth.\$		
	1953	1954	1959
	actual	estimates	plan
Export (FOB)	184,1	194,9	327,7
Import (CIF)	228,5	234,2	419,2
Trade Balance	-44,4	-39,3	-91,5
Invisible Export	10,9	3,9	6,0
Balance of Current Transaction	-33,5	-35,4	-85,5

The greatest part of the deficit should be covered by foreign loans (Eth. \$ Million 81) and the Eth.\$ Million 5 by monetary gold and foreign exchange earnings.

BUDGETARY REVENUE AND EXPENDITURE

In financing the development foreseen by the Second Five Year Plan the State Budget is going to occupy a very significant place. More than half of the total five-year expenditure will be financed by the budgetary revenue. The estimated State revenue is, in fact, the limit to the State expenditure and consequently of the expansion of the social and administrative services.

Recurrent expenditure accounts for the greatest part of the total State expenditure. This fact emphasises the importance of keeping it under control as well as following strictly the principle of economy in spending. Public administration, social, and economic services will have to be run along the most economic lines with the view to utilizing the available financial resources in the most efficient manner.

Due to the great need to improve the economic services, particularly the Veterinary Services, Agricultural Extension and others, as well as to maintain properly the increasing network, economic services are expected to rise at a high rate. Social services including education and public health, should also have a high rate of expansion. However, the public administration expenditure should increase at a slow rate; improvements in this field will be sought in a better organization, an adequate distribution of responsibilities, and a higher efficiency of the public servants.

Since taxation will have to provide the bulk of the budget's revenue, the tax policy (conceived as a part of the Government's economic policy) will be carefully shaped. Its main feature will be to encourage economic development in conformity with the objectives of the Second Five Year Plan and to distribute the tax burden among the taxpayers in proportion to their economic capability. By an adequate allocation of direct and indirect taxes it will contribute to maintaining the stability of the purchasing power of the national currency. Taking care of these aims, the tax system will be properly co-ordinated with the growth of economic activity and with other financial measures to be undertaken by the Government and its financial agencies.

BUDGETARY REVENUE, 1955 TO 1959

	Millions of Eth.\$		Millions of Eth.\$
<u>Grand Total</u>	1,386,4		
<u>Ordinary Revenue</u>	1,131,5	<u>Special Revenue</u>	254,9
Direct Taxes	311,7	Revenue from State	
Indirect Taxes	98,3	Property and Invest-	
Customs Duties	321,7	ments	196,2
Federal Taxes	313,4	Sale of Government	
Earnings of Govern-		Bonds	50,0
ment Departments	51,2	Others Special Reve-	
Revenue	35,2	nue	8,7

Structure of Budgetary Revenue

	Grand total =100	Each Sector =100		Grand total =100	Each Sector =100
<u>Grand Total</u>	100				
<u>Ordinary Revenue</u>	81,6	100	<u>Special Revenue</u>	18,4	100
Direct Taxes	22,5	27,6	Revenue From		
Indirect Taxes	7,1	8,7	State Property		
Customs Duties	23,2	28,4	and Investments	14,2	77,0
Federal Taxes	22,6	27,7	Sale of Govern-		
Earnings of Govern-			ment Bonds	3,6	19,6
ment Departments	3,7	4,5	Other Special		
Other Ordinary			Revenue	0,6	3,4
Revenue	2,5	3,1			

BUDGETARY EXPENDITURE, 1955 To 1959

	Millions of Eth \$		Millions of Eth \$
<u>Grand Total</u>	1 386,4		
<u>Ordinary expenditure</u>	1 105,6	<u>Capital Expenditure</u>	280,8
Public Administration	627,3	Public Administration	28,5
Social services	286,5	Social Services	53,7
Economic Services	86,8	Economic Services	1,4
Debt Repayment	95,0	Investment in Economic Activities	197,2
Budgetary Reserve	10,0		

Structure of Budgetary Expenditure

	Grand total = 100	Each sector = 100		Grand total = 100	Each sector = 100
<u>Grand Total</u>	100	-			
<u>Ordinary Expenditure</u>	79,7	100	<u>Capital Expend- iture</u>	20,3	100
Public Administration	45,2	56,7	Public Administration	2,1	10,2
Social Services	20,7	25,9	Social Services	3,9	19,1
Economic Services	6,2	7,9	Economic Services	0,1	0,5
Debt Repayment	6,9	8,6	Investment in Economic Activities	14,2	70,2
Budgetary Reserve	0,7	0,9			

INVESTMENT

The basic objective of the Second Plan's Investment program is to change the present pattern of technology and economy by introducing modern equipment, which could contribute to the productivity of human labor and provide the Nation with more goods and services.

The improvement of methods and techniques of production is largely conditioned by a planned course of the economic development. Industry for the most part has to follow the capital intensive pattern technology, because the labor-intensive methods in many branches no longer exist. The same is true for the exploitation of the mineral wealth and cultivation of virgin land where modern methods will have to be introduced as most appropriate. The technical progress of the propulsive sectors will not clash with the labor-intensive schemes which are to be implemented into the other sectors.

The investment program tends to maximize the growth of the economy and the social services. Obviously the growth of these sectors does not depend on new investment only, but also on the availability and efficiency of the personnel. The investment program is, therefore, properly balanced, with the aim of achieving maximum results with minimum costs. The expenditure on construction, equipment and others should be optimal, since it has a decisive influence on the profitability of new projects.

The implementation of the investment program requires a considerable amount of money, to be made available both from national and foreign sources. The Second Five Year Plan's investment program foresees that the major part of the financial requirements will be covered from domestic sources i.e. from the budget, bank loans, private domestic savings and investment in kind, while the remaining part shall have to be financed by foreign loans and private foreign investors.

With this in view Government policy and measures will endeavor to increase the saving capacity of the country and provide all facilities to encourage prospective foreign investors to establish new factories, to study and prospect for mineral resources, extend large-scale farming etc.

INVESTMENT BY MAIN SECTORS DURING THE FIRST AND SECOND FIVE YEAR PLAN

	Millions of 1949-54	Eth.\$ 1955-59	Index 1949-54 =100
Total	839,6	1.581,0*	188
Agriculture, Forestry & Fishing	109,9**	363,0**	330
Mining, Power & Manufacturing and Handicrafts & Cottage Industry	159,8	455,3	285
Transport, Communications & Building	287,3	325,4	113
Social Services Incl. Government	39,0	120,8	310
Housing	206,8**	250,0**	121
Other Activities	36,8	66,5	181

	Structure in %	
	1949-54	1955-59
Total	100	100
Agriculture, Forestry & Fishing	13,1	23,0
Mining, Power & Manufacturing and Handicrafts & Cottage Industry	19,0	28,8
Transport, Communications & Building	34,2	20,6
Social Services incl. Government	4,7	7,6
Housing	24,6	15,8
Other Activities	4,4	4,2

* For the reason of comparison it is excluded in 1955-59: Increase in Stocks Eth.\$ million 65,0, Contribution to Development Fund Eth.\$ million 10,0 and Investment Reserve Eth.\$ Million 40,0. ** Including Investment in Kind.

INVESTMENT, 1955-1959

FINANCIAL RESOURCES

	Thousands of Eth \$	Structure in %
Financial Sources - Total	1 696,0	100
Domestic Sources	1 142,3	67,4
Profits and Depreciation from 1954	60,0	3,5
Budget	280,3	16,5
Investment in kind	245,0	14,5
Bank Loans	200,0	11,8
Profits, Depreciation, Other Funds	357,0	21,0
Foreign Sources	553,7	32,6

USE OF BANK LOANS

	Thousands of Eth \$	Structure in %
Total	200,0	100
Agriculture	95,0	48
Industries	44,0	22
Transport	23,0	11
Hotels & Catering	7,5	4
Trade & Commerce	8,0	4
Housing	10,0	5
Others	12,5	6

INVESTMENT - 1955-1959

	Thousands of Eth \$	Percent- age		Thousands of Eth \$	Percent - age
USE OF BUDGETARY RESOURCES			INVESTMENT IN HOUSING		
<u>Total Budgetary</u>			<u>Total</u>	250,0	100
<u>Resources</u>	280,3	100	<u>Monetary</u>		
<u>Social Activities</u>	83,3	30	<u>Investment</u>	130,0	52
<u>Social Services</u>	54,3	20	<u>Personal Savings</u>	120,0	48
<u>Public Administration</u>	29,0	10	<u>Bank Loans</u>	10,0	4
<u>Economic Activ -</u>			<u>Investment</u>		
<u>ities</u>	197,0	70	<u>in Kind</u>	120,0	48
<u>Agriculture</u>	73,0	26	<u>Rural Housing</u>	110,0	44
<u>Transport</u>	53,0	19	<u>Urban Housing</u>	10,0	4
<u>Manufacturing</u>					
<u>Industry</u>	47,0	17	INVESTMENT IN KIND		
<u>Construction</u>	4,0	1	<u>Total</u>	245,0	100
<u>Mining</u>	6,7	2	<u>Economic</u>		
<u>Others</u>	13,3	5	<u>Activities</u>	125,0	51
REINVESTMENT			<u>In Agriculture</u>	113,0	46
<u>Total</u>	120,0	100	<u>In Feeder Roads</u>	12,0	5
<u>Electricity</u>	37,0	31	<u>Rural and Some</u>		
<u>Communications</u>	18,0	15	<u>Urban Housing</u>	120,0	49
<u>Increase in Stock</u>			<u>Rural Housing</u>	110,0	45
<u>in Trade & Other</u>	65,0	54	<u>Urban Housing</u>	10,0	4

ALLOCATION OF INVESTMENTS FOR THE SECOND FIVE YEAR PLAN

	Millions of Eth. \$	As per cent of total
Total	1 696,0	100,0
Agriculture	354,7*	20,9
Forestry	7,0	0,4
Fishing and Hunting	1,3	0,1
Mining	74,0	4,4
Power	57,8	3,4
Manufacturing Industry	318,5	18,8
Handicrafts & Cottage Industry	5,0	0,3
Building & Construction	9,0	0,5
Transport	284,9	16,8
Communications	31,5	1,9
Trade & Commerce	22,0	1,3
Catering & Tourism	21,0	1,2
Financial Intermediaries	3,5	0,2
Education & Culture	30,2	1,8
Health	38,9	2,3
Community Development	10,8	0,6
Other Services	12,4	0,7
Government	28,5	1,7
Housing	250,0*	14,7
Others	20,0	1,2
Increase in Stocks	65,0	3,8
Contribution to Development Fund	10,0	0,6
Investment Reserve	40,0	2,4

*Investment in kind included

AGRICULTURE

Considering the role and natural capacities of agriculture in the further development of the national economy the Plan set forth as main tasks: to meet the growing needs of the population in nutrition; to increase the output of raw materials for the industry and to contribute in an adequate measure to increase export, respectively to reduce import of agricultural products.

The Government envisages the realization of these planned tasks by carrying out a number of measures which will incite and aid the increase and diversification of agricultural production. This will be achieved: by organizing a network of various agricultural services as technical assistance to the small farmers; by initiative and assistance in organizing the farmers to join co-operatives, through which it will be possible to introduce modern tools and implements; by extending the possibilities of obtaining credit for production purposes; by organizing a better agricultural products market; by enacting legislation to improve the status of the tenants, by preparing conditions for land reform etc.

The development of production on the large-scale private farms will be stimulated by providing favorable domestic credit, tax privileges and special privileges dealing with foreign capital invested in such projects. Those farms which will raise cotton, coarse fiber crops etc. and will fatten cattle to meet the needs of the slaughterhouse industry will obtain special technical assistance from Government Institutions.

Public and co-operative large-scale farms will be established in new regions which are suitable for agriculture. This will aim at an accelerated settlement and cultivation of new areas, an expansion of areas of intensive agriculture on which modern means and methods of production are applied and marketable crops are raised etc.

In Forestry the Government will stress measures to protect and rationally utilize the remaining forests, respectively to propagate afforestation campaigns and in fishing the Government will concentrate on the determination of the existing resources by surveying, modernizing the means, and training personnel.

AGRICULTURE
PRODUCTION OF MAIN FOOD PRODUCTS
 1954 and 1959 E.C.

	Unit	1954	1959	Index 1954 = 100
Cereals	Thousands tons	4 872	5 402	111
Oil Seeds	" tons	351	424	121
Pulses	" tons	527	578	110
Sugar Cane	" tons	650	900	138
Vegetables	" tons	489	565	116
Fruits	" tons	55	72	131
Meat	" tons	342	405	118
Milk	" tons	761	845	111
Eggs	Million pcs	1 351	1 526	113

INCREASE OF PRODUCTION CONSUMPTION OF AGRICULTURAL PRODUCTS BY INDUSTRIES

	Thousands of tons 1959		Unit	1959
Cereals	530	Cotton	tons	24 000
Oil Seeds	73	Coarse Fiber	tons	9,000
Pulses	51	Oil Seeds	tons	40,000
Cotton	14	Sugar Cane	tons	600,000
Coarse Fibers	9	Vegetables &		
Export of Coffee	19	Fruits	tons	2,000
Supply Meat Industry with Cattle		Tobacco	tons	1,000
Thousand Heads	600-700	Cattle (only for Slaughtering houses)	thousand head	600

AGRICULTURE

INVESTMENT 1955-1959

RECURRENT EXPENDITURE

	Millions of Eth \$	Struc- ture in %		Millions of Eth \$	Struc- ture in %
Grand Total	355,0	100	Total	29,5	100
Monetary Invest- ment	242,0	68,2	Research	6,8	23,1
Large-scale			Extension Ser- vices	6,5	22,0
Farms	127,7	36,0	Veterinary		
Peasant Holding	5,2	1,5	Services	9,4	31,9
Co-operatives	22,6	6,4	Plant Protection		
Extension			Services	5,1	17,3
Services	0,8	0,2	Animal Breed- ing Services	1,4	4,7
Veterinary			Seed Breeding		
Services	2,4	0,7	Stations	0,3	1,0
Plant Protection	1,4	0,4			
Animal Breeding	1,1	0,3	The proposed investments and recurrent expenditure should make possible an increase of 12 per cent in the total agricultural out - put of 1959 compared with that of 1954 showing an annual rate of growth of 2.2 per cent.		
Stations					
Seed Breeding					
Stations	0,3	0,1			
Training of					
Personnel	2,1	0,6			
Research	1,9	0,5			
Surveys	38,7	10,9			
Others	37,8	10,6			
Investment in Kind	113,0	31,8			

AGRICULTURE

TASKS SET FOR THE DEVELOPMENT OF PEASANT
AGRICULTUREIntroduce for permanent use
on the peasant farms :

	Number
Moldboard iron plows	15 000
Harrows	15 000
Rollers	1 000
Hoes, Scythes, etc.	100 000
Carts	2 000
Drills	100
Harvesters drawn by oxen or horses	300
Threshing machines	300
Winnowers	500
Grain Selectors	500

Spread the use of better seeds
among the farmers :

Wheat	on hectares	50 000
Barley	« «	20 000
Maize	« »	20 000
Pulses	« «	10 000
Oil Seeds	« «	10 000

Extend the cultivation of better or
new crops on peasant farms:

Cotton	on hectares	20 000
Sisal	« «	1 000
Vegetables	« »	100
Coffee	« «	500

REQUIREMENTS FOR QUALIFIED PERSONNEL

	Dispos- able in 1954	Required in 1959		Dispos- able in 1954	Required in 1959
<u>Total</u>	341	1 677	<u>Veterinarian</u>		
Agronomists	60	175	Vaccinators	120	320
Agricultural			Forestry Ex-		
technicians	140	900	perts	3	8
Veterinarians	3	25	Forestry Tech-		
Veterinarians			nicians	6	27
Technicians	4	82	Tractor Drivers	2	80
			Mechanics	3	60

MINING

The future industrial development largely depends on the utilization of minerals. Therefore, during the Second Plan surveying and prospecting for mineral wealth should be given highest priority. It is necessary to ascertain the kind of minerals that are available, where the promising regions are and what quantity and quality of mineral resources can be exploited at reasonable costs.

Fundamentally, surveys and prospecting will be carried out as a first priority on the pre-Cambrian schists, and as a second priority on the Sedimentary strata. The exploration of the pre-Cambrian schists should not only expose new deposits of gold and platinum, but also of basic metals particularly iron, copper, chromium, nickel and other deposits.

Next in significance is the exploration of the Mesozoic Sedimentary series for petroleum and the majority of nonmetals. Third in priority is the exploration of the tertiary sedimentary series, in order to obtain results in prospecting for various kinds of salts, petroleum and gas. Finally, the fourth place is occupied by the exploration of the volcanic rocks for deposits of building raw material and certain nonmetals.

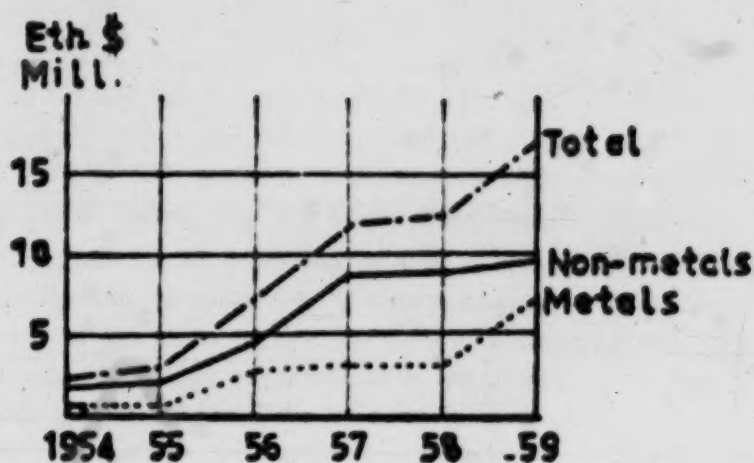
Of special significance and of urgent priority, is the prospecting for iron ore. The forecast construction of the steel and metal industry is based on domestic iron ore, and it is therefore planned to begin iron ore production at the end of the Second Plan. Parallel with the exploration of iron ore deposits, corresponding technological research and mining development will be carried out so that steel production may begin at the forecast time.

To achieve the targets it will be necessary to provide a larger number of higher qualified personnel; primarily specialists in geology and mining to survey and plan mechanized production, and to carry out laboratory research and interpretation of geological data. In order to speed up the technical training of local staff, it is planned to establish a mining engineering college, which would supply technical personnel for mining, geology and engineering.

MINING PRODUCTION 1955-1959 E.C.

	Unit	1955	1956	1957	1958	1959
Gold , concen- trate	kg	800	1,000	1,200	1,200	1,200
Platinum , con- centrate	kg	10	15	15	15	15
Iron Ore	tons	-	-	-	-	200,000
Manganese Ore	tons	2,000	2,000	2,000	2,000	2,000
Potash	tons	-	150,000	300,000	300,000	300,000
Salt Mines	tons	25,000	25,000	25,000	25,000	25,000
Quartz Sand	tons	2,000	2,000	2,000	10,000	12,000
Clays	tons	-	-	-	-	5,000
Asbestos	tons	-	-	500	1,000	1,000
	1,000					
Gross Output	Eth.\$	2,730	7,435	12,285	12,740	16,935

GROSS VALUE OF MINERAL PRODUCTION



MINING INVESTMENT 1954-1959 E. C.

TECHNICAL STRUCTURE			INVESTMENT BY YEARS		
	Thousands of Eth.\$	Structure in %		Thousands of Eth.\$	Structure in %
<u>Total</u>	84.030*	100	<u>Total</u>	74.030	100
Studies, Prospecting & Exploration	45.200	53.8	1955	27.600	37.3
Building	19.150	22.8	1956	14.900	20.1
Equipment	19.680	23.4	1957	11.800	16.0
			1958	10.400	14.2
			1959	9.330	11.6

*) Included are Eth.\$ 10,0

Million for potash production
in Dallol invested before 1955 E.C.

In the First Five Year Plan
Eth. 27,570 thousands were invested
so that the increase is three
times as large.

The large share during the first
two years is the consequence of the
completion of the mining develop-
ment in Dallol, since it has been
planned to invest Eth.\$ 18 million
in 1955, and Eth. \$ 3 million in 1956

THE FINANCING OF THE INVESTMENT

The financing of the investments is foreseen to be mainly from foreign sources, only a small proportion will be from domestic sources, provided mainly from the budget in view of the public character of geological surveys and the production of precious and basic metals. Two-thirds of the foreign investment will be used for the exploitation of potash and for petroleum prospecting, while the remainder is intended for financing the Borana-Sidamo project, for aerial and topographical survey, and to purchase equipment for Kibre Mengist and Yubdo.

ELECTRICITY

During the Second Five Year Plan electric energy will remain the most important source of power because coal and crude oil exploration has not yet achieved results which could ensure an enlargement of energy resources.

Of the 16 rivers whose power is estimated at over 45 billions of kwh only the power of the Awash and Blue Nile rivers is being partly utilized. In the future stress will be laid on the big hydro-energy sources Tis Abbai and Awash river so that in 1959 the ratio of installed hydro-and thermo-electric power will be 72:28.

The Second Plan envisages an increase of electric power output by nearly 2.5 times. Hence, the per capita production of electric power will increase from 6.9 kWh in 1954 to 15.5 kWh in 1959. This increase is justified considering the intensification of the economy and enlargement of the public consumption during this period. The increase in the number of employees will be relatively small (from 1,800 in 1954 to 2,580 in 1959). Of the planned number of new employees it will be necessary to provide primarily highly qualified technical personnel.

The largest electric power sources will continue to be linked in the Interconnected System. To this end the necessary number of substations and transmission lines will be built. The Tis Abbai system will supply power for the economic development of the region. The thermo-electric plant Bellesa will be built to meet the increased needs in Eritrea. Parallel with the extension of the Interconnected System, the Self Contained System will also be expanded after the new and enlarged hydro-and thermo electric power plants are put into operation.

Whereas the long-term development of the country's economy will call for a continued increase in power production, extensive research is planned during the Second Plan to determine the development of electric power output. Investigation of the water resources must be carried out in order to utilize them for future power production, for irrigation, and water supply for the population.

ELECTRICITY

	1954	1955	1956	1957	1958	1959
Production 1954-1959						
	In Imillion kWh					
Total	145	190	220	245	315	355
Ethiopian Electric Light & Power Authority	95	134	143	163	225	260
Societa Elettrica dell'Afrika Orientale	30	35	55	60	65	70
Industrial Firms	20	21	22	22	25	25
Index of Production						
	1954 = 100					
Total	100	131	152	169	217	245
Ethiopian Electric Light & Power Authority	100	141	151	172	237	274
Societa Elettrica dell'Afrika Orientale	100	117	183	200	217	233
Industrial Firms	100	105	110	110	125	125
Structure of Production in %						
Total	100	100	100	100	100	100
Ethiopian Electric Light & Power Authority	65.5	70.5	65.0	66.5	71.4	73.2
Societa Elettrica dell'Afrika Orientale	20.7	18.4	25.0	24.5	20.6	19.7
Industrial Firms	13.8	11.1	10.0	9.0	8.0	7.1

ELECTRICITY INVESTMENT 1955-1959

<u>Total value of all the projects which enter in the Plan</u>	Thousands of Eth. \$
	83.450
<u>Out of which:</u>	
Invested before 1955	7.500
Will be expended during 1955-1959	57.750
Remaining for the projects which will be completed after 1959	18.200
<u>Investment by years</u>	
	Thousands Structure of Eth.\$ in %
<u>Total</u>	57.753 100
1955	9.598 16.6
1956	10.050 17.4
1957	11.300 19.6
1958	13.050 22.6
1959	13.755 23.8

During the First Five Year Plan
million Eth.\$ 51,8 were expended
so the growth of investment in the
Second Plan is 11.5 per cent.

<u>Investment by Financial Sources</u>	Thousands of Eth.\$	Structure in %
<u>Total</u>	83.450	100
<u>Domestic</u>		
Sources	45.284	54.3
Budget	2.000	2.4
Own Funds	43.284	51.9
Foreign Sources	38.166	45.7
Loans	38.166	45.7

The means from foreign loans have
been foreseen exclusively for the
purchase of equipment from abroad

<u>Technical Structure of Investment</u>	Thousands of Eth.\$
<u>Total</u>	83.450
Studies & Prospecting	6.030
Land	1.300
Building	23.420
Equipment	52.390
Others	310

ELECTRICITY

Investment by Groups

	Thousands of Eth.S
Total	83.450
Interconnected System	32.000
Self Contained System	19.000
Tis Abbay System	5.000
Industrial Firms	450
Network	25 200
New Projects 1955-59	

Interconnected System

Hydroelectric Plant Awash II.

Capacity 45.000 kVA

in 1955

Production will begin in

1958 In this year it will be 55

million

kWh and in 1959 75 million kWh

Final capacity will be 174

million kWh

Hydroelectric Plant Awash III

Capacity 45000 kVA

Construction is to begin in 1959

Self Contained SystemNew Thermo-and HydroelectricPlants :

Adua	Debre Tabor
Asba Teferi	Dembidollo
Axum	Dilla
Bongo	Makalle

Enlargement of ExistingPlants :

Assab	Jijiga
Assella	Jimma
Debre Berhan	Lekemti
Debre Marcos	Negellie
Dessie	Shashamanno
Hagere Hiwot	Wolamo Soddo
Gondar	Yrgalem

Tis Abbay SystemCapacity in the first stage is set
at 57 Million kWh

Production is to be :

In 1955 15 million kWh

in 1959 25 million kWh

Societa Ellectrica dell' AfrikaOrientaleNew Thermal Power Plant at
Belleza

Capacity 5 000 kW

Industrial FirmsOne electric Plant for the Steel
Industry is foreseen

ELECTRICITY

New Transmission Lines

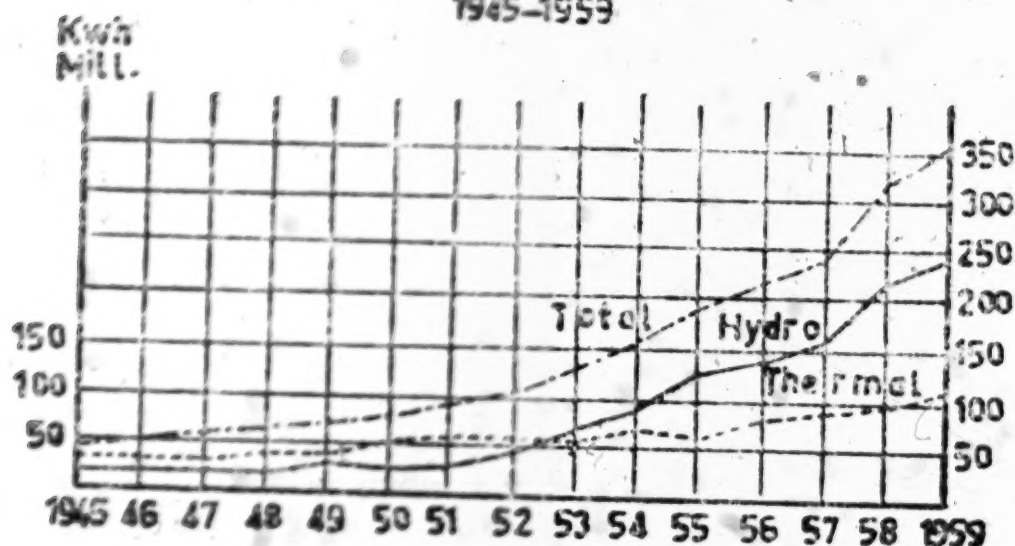
Awash II - Koka	25 km
Koka - Akaki	75 km
Akaki - Sabata-	
Gafarsa	25 km

New substations and distribution systems, which will be erected, should supply about 70 000 new consumers in an area with about 800 000 population

Electric Power Consumption

	Consumption		Index 1954=100	Structure	
	In mill. kWh 1954	1959		1954	1959
Economy	61,5	208,0	338	42,4	58,6
Public Consumption & Illumination of Towns	58,5	81,0	138	40,3	22,8
Own Consumption and Losses	25,0	66,0	264	17,3	18,6
Total	145,0	355,0	245	100	100

PRODUCTION OF ELECTRIC ENERGY 1945-1959



MANUFACTURING INDUSTRY

The industrial program is integrated with agriculture, mining, transport and commerce, so as to achieve mutual stimulation and to speed up the economic growth. For these reasons the development of manufacturing industry is considerably more intensive and diversified.

The industrial program is directed toward an accelerated development of output as a whole, toward a linking of basic complexes and groups, as well as individual industrial branches.

The first, agro-industrial complex aims at a better utilization of the existing agricultural wealth, particularly livestock, oilseeds, fibers, etc. The processing industry should in fact assist the development of agriculture by increasing the demand for raw materials of biological origin and by supplying agriculture with improved tools and implements. It is aimed also at promoting exports and increasing the domestic saving capacity. Similarly, the industry will expand the utilization of raw materials from the wood sector for processing, as well as raw materials for the chemical industry.

The extensive investment program calls for large quantities of building material. Nonmetal raw materials, of which there are sufficient quantities in the country, are an ample basis for the erection of many factories such as cement factories, a glass sheet factory, brickyard etc.

The next set of production tasks in manufacturing industry refers to the domestic steel industry and the development of the metal processing and electrical industries. Setting the steel industry into operation is actually a part of a long term industrial orientation which should gradually lead to a machine building industry.

Finally, the chemical industry complex has to be established during the Second Plan to ensure the production of the most important and essential chemical products and thus create a basis for a wide development of the other chemical and industrial branches. In addition, it is foreseen to erect an oil refinery and a tyre plant.

MANUFACTURING INDUSTRY GROSS OUTPUT 1954-1959 E.C.

	Output in Thousand Eth. \$		Index 1954 = 100
	1954	1959	
Total	116,350	369,575	318
Food Industry	45,300	140,705	311
Beverages	9,800	16,900	172
Tobacco Manufacturing	4,500	6,500	144
Textile Industry	39,000	88,860	228
Leather & Shoe Industry	4,500	25,400	564
Wood Industry	2,900	5,700	167
Building Material Industry	5,500	28,000	509
Printing & Publishing	1,400	7,300	521
Chemical Industry	950	36,110	3,800
Steel, Metal & Electro Industry	-	10,600	
Others	2,500	3,500	140

CAPACITY OF SOME NEW PROJECTS Tentative Data

Slaughterhouses	525,000	Cattle	Leather	7,500 tons
Fish Products	10,000	tons	Flax Products	500 tons
Edible oil	6,000	tons	Leather Shoes	2.5 mill pairs
Powdered Coffee	3,000	tons	Canvas & Leather	
			Shoes	1.5 mill. pairs
Woolen Blankets	270,000	pcs	Cement	220,000 tons
Gunny Bags	2,000	tons	Cement Asbestos	
Umbrellas	100,000	pcs	Products	10,000 tons

Continued

MANUFACTURING INDUSTRY STRUCTURE BY BRANCHES

On the basis of gross Output

	Percentage		Rate of growth
	1954	1959	
Total	100	100	26.0
Food Industry	38.9	38.1	25.6
Beverages	8.4	4.6	11.5
Tobacco Manufacturing	3.9	1.7	7.6
Textile Industry	33.5	24.0	17.9
Leather & Shoes Industry	3.9	6.9	41.4
Wood Industry	2.5	1.5	14.5
Building Material Industry	4.7	7.6	38.5
Printing & Publishing	1.2	2.0	39.2
Chemical Industry	0.8	9.8	107.0
Steel, Metal & Electro Industry	-	2.9	-
Others	2.2	0.9	7.0

CONTINUED : CAPACITY OF SOME NEW PROJECT

Tentative data

Lime	5,000	tons	Sulphuric Acid	20,000	tons
Paper	8,500	tons	Soap	6,000	tons
Glass Sheets	1.0 mil.	sq.m.	Tanning Material	2,000	tons
Crude Oil Refinery	500,000	ttons	Agricultural		
Viscose	12,000	tons	Machines & Tools	2,000	tons
Caustic Soda	12,000	tons	Metal Construction	5,000	tons
Carbon Bisulfide	6,000	tons	Electric Bulbs	2.0 mil.	pcs.

MANUFACTURING INDUSTRY **IMPORTANT PRODUCTS 1954-1959 E.C.**

	Unit	1954	Index	
			1959	1954-100
Meat (Frozen)	tons	5.500	35.000	636
Meat (Canned)	tons	1.00	7.000	700
Sugar	tons	38.000	60.000	158
Salt	tons	158.000	275.000	174
Edible Oil	tons	4.000	12.000	300
Flour	tons	24.000	51.000	213
Macaroni	tons	2.800	3.100	111
Beer	hl.	67.000	85.000	127
Wine	hl.	18.600	30.000	161
Cigarettes	000 pcs.	370.000	500.000	135
Cotton Fabrics	000 sq. m	21.500	74.000	344
Rayon Fabrics	000 sq. m	-	6.000	-
Gunny Bags	000 pcs.	2.800	6.000	214
Leather Shoes	000 pairs	248	2.150	867
Canvas & Rubber Shoes	000 pairs	-	1.300	-
Timber	cu.m	12.500	20.000	160
Plywood	cu.m.	1.200	3.000	250
Furniture	000 Eth.\$	450	1.300	289
Matches	000 Pcs.	16.000	25.000	156
Glass Bottles	000 pcs.	7.500	14.000	187
Bricks	000 pcs.	8.000	30.000	375
Cement	tons	29.000	210.000	724
Mosaics	sq.m	65.000	95.000	146

MANUFACTURING INDUSTRY
NUMBER OF NEW INDUSTRIAL PROJECTS

	Total	Completed or reconstructed	New Projects
<u>Total</u>	121	18	103
Food Industry	29	3	26
Beverages	3	1	2
Tobacco Manufactuirng	2	1	1
Textile Industry	15	6	9
Leather & Shoe Industry	9	1	8
Wood Industry	3	-	3
Building Material Industry	16	3	13
Printing & Publishing	2	1	1
Chemical Industry	22	1	21
Steel, Metal & Electric Industry	16	1	15
Others	4	-	4

**Putting the New Projects
in Operating**

**Number of
Projects**

1955	3
1956	19
1957	15
1958	24
1959	33
<u>Total</u>	94

MANUFACTURING INDUSTRY **INVESTMENT DURING THE FIRST AND SECOND FIVE YEAR PLAN**

	Investment		Index 1949- 54=100	Structure In %	
	Thousand of 1949-54	Eth.\$ 1955-59		1949- 1954	1955- 1959
Total	80.480	318.465	396	100	100
Food & Beverage Industry	26.460	75.100	284	32,9	23,6
Tobacco Manufacturing	460	1.000	217	0,6	0,3
Textile Industry	39.400	32.625	83	49,0	10,3
Leather & Shoe Industry	1.250	11.100	888	1,5	3,5
Wood Industry	1.360	2.350	173	1,7	0,7
Building Material Industry	3.600	35.390	983	4,5	11,1
Printing & Publishing	350	800	229	0,4	0,3
Chemical Industry	740	96.550	1305	0,9	30,3
Steel , Metal & Elec- ro-Industry	1.050	51.050	486	1,3	16,0
Others	5.810	12.500	215	7,2	3,9

	Thousands of Eth.\$
Total value of all the Projects which enter in the Plan	425.950
Invested before 1955	25.560
To be expended during 1955-1959 E.C.	318.465
Rest for Projects which will be completed after 1959 E.C.	81.925

MANUFACTURING INDUSTRY

<u>Technical Structure</u>	Thousands	<u>Investment by Years</u>		
<u>of Investment</u>	Eth.\$		Thousands	Structure
<u>Total</u>	425,950		of Eth.\$	in %
Studies & Prospecting	16.890	<u>Total</u>	318.465	100
Land	5.944	1955	35.795	11,2
Building	124.575	1956	57.445	18,0
Equipment	268.141	1957	65.255	20,5
Motor Vehicles	9.580	1958	74.795	23,5
Others	820	1959	85.175	26,8

GROSS OUTPUT PER EMPLOYEE

	<u>Output per Employee in Eth.\$</u>		<u>Index 1954 = 100</u>
	1954	1959	
<u>Total</u>	4,216	6,383	151
Food Industry	4,441	6,425	145
Beverages	7,259	11,342	156
Tobacco Manufacturing	10,000	10,833	108
Textile Industry	3,861	4,488	116
Leather & Shoe Industry	4,687	5,962	127
Wood Industry	2,000	3,167	158
Building Material Industry	4,264	8,563	201
Printing & Publishing	3,500	6,952	199
Chemical Industry	-	23,595	-
Steel, Metal & Electro Industry	-	23,556	-
Others	1,786	2,000	112

MANUFACTURING INDUSTRY EMPLOYMENT 1954-1959 E.C.

	1954	1959	Index 1954=100
<u>Total</u>	27,600	57,900	210
Food Industry	10,200	21,900	215
Beverages	1,350	1,490	110
Tobacco Manufacturing	450	600	133
Textile Industry	10,100	19,800	196
Leather & Shoe Indutsy	960	4,260	444
Wood Industry	1,450	1,800	124
Building Material Industry	1,290	3,270	254
Printing & Publishing	400	1,050	263
Chemical Industry	-	1,530	-
Steel, Metal & Electro Industry	-	450	-
Others	1,400	1,750	125

REQUIREMENTS FOR SKILLED PERSONNEL 1954-1959 E.C

<u>University Graduates</u>	460	<u>Secondary School</u>	
Mechanical Engineers	90	<u>Graduates</u>	1,800
Electrical Engineers	70	Technical	800
Chemical Engineers	120	Commercial	600
Civil Engineers	15	Others	400
Economists	140	Grand Total: University	
Veterinarians	15	+ Secondary School Grad-	
Physicians	10	uates	2,260

BUILDING AND CONSTRUCTION

Building and Construction will grow rapidly during the Second Five Year Plan due to the new industrial, agricultural, and transport projects which are to be constructed, as well as to the expansion of housing. Since building absorbs 30 to 40 per cent of the total investment expenditure, economy in costs has to be realized by proper designing, better organization and higher efficiency. With this in view, the Government will make rules and regulations concerning the designing and execution of the work. Supervision and control of quality, will be extended and strengthened in order to secure the safety of structures. Domestic building and construction firms, as well as designing and consulting firms, should be established to contribute to the implementation of the investment program.

In this new and still unorganized branch of the economy the Second Plan set up a number of tasks in the field of scientific research. There is need to establish a Building Research Station which will deal with the promotion of building activity in Ethiopia, their techniques, availability raw materials for the building industry, technical standards prescriptions and recommendations, the testing of materials and constructions etc.

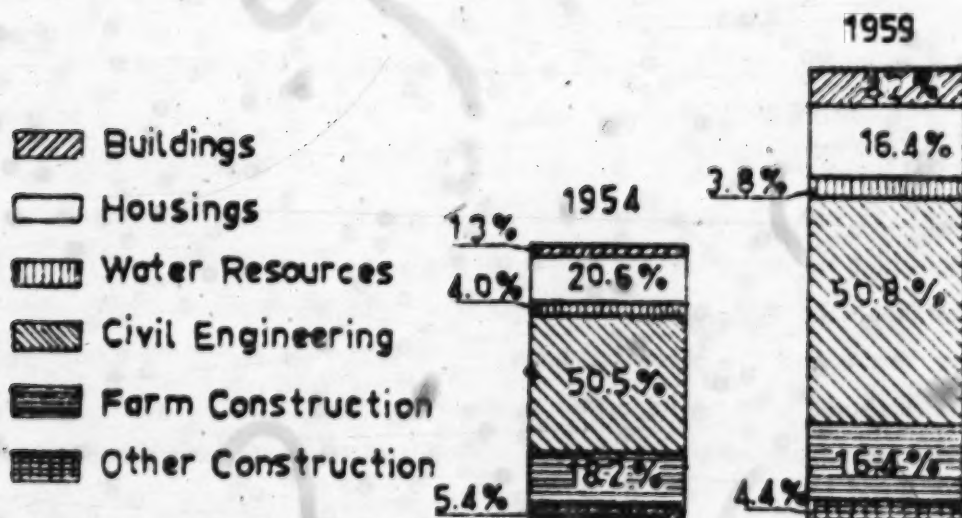
Special attention is to be paid to the technical problems of low-cost housing, namely to a well elaborated scheme of aided self-help construction. The Government, through the Research Station, will extend its assistance in various forms, such as designs for modest standardized housing projects based on the use of local materials etc.

The improvement of the organization of the building and construction firms, as well as the Ethiopianization of building activity in the country are important tasks which have to be carried out. With this in view, two Ethiopian construction enterprises have to be established, one for civil engineering works and the other for housing and other buildings. Domestic enterprises should play an important role of the building market of Ethiopia and help to reduce building and construction costs and improve the quality of the work.

BUILDING AND CONSTRUCTION GROSS OUTPUT, 1954 AND 1959

	Thousands of Eth.\$		Index	Rate of
	1954	1959	1954 = 100	growth
Total Construction	111,800	183,000	164	10,4
Buildings	1,500	15,000	1000	58,5
Housing	23,000	30,000	130	5,5
Water Resources	4,500	7,000	156	9,2
Civil Engineering	56,400	93,000	165	10,5
Farm Construction	20,300	30,000	148	8,1
Other Construction	6,100	8,000	131	5,6

STRUCTURE OF CONSTRUCTION WORKS 1954 & 1959



TRANSPORT AND COMMUNICATIONS

A considerably larger demand for transport facilities makes it necessary during the Second Five Year Plan to pay due attention to a better co-ordination in the development of the various branches of passenger and freight transport, with the purpose of increasing the efficiency in utilizing the fixed assets in transport and communications and to open new regions for economic development.

The emphasis on the expansion of the existing road network (4,738 kms. of all-weather roads with about 16,000 of operating motor vehicles) during the Second Five Year Plan should therefore be laid on those roads which not only have a dominant but also a co-ordinating role. In addition to the completion of about 490 kms. of roads under construction, the construction of about 1,300 kms. of new main roads, and about 1,000 kms. of feeder roads has been planned. With the aim of improving roads transport new public enterprises will be established, both for passenger and for cargo transport.

Railway transport is carried out on two narrow-gauge tracks with a total length of 1,087 kms. It will be necessary even in the Second Five Year Plan, to start intensive surveys and to design new railways which will in the future have to play a much more significant role. The plans will be made for the future construction of the railways Awash-Tendaho-Assab, Nazareth-Dilla (Sidamo) and Agordat-Tesseny.

In addition to completing the «jet Program» according to arrangements already made (construction of a new airport in Addis Ababa and purchase of two jet planes) the Second Five Year Plan lays emphasis on the promotion of internal air transport. The airports for domestic transport will be improved to enable them to handle all kinds of propeller driven aircraft and smaller jet planes, and to be used throughout the whole year.

Special care should be taken to solve problems with regard to the exploitation of sea ports. It is foreseen to develop an Ethiopian sea-shipping company as a nucleus of the future Ethiopian commercial fleet.

**TRANSPORT AND COMMUNICATIONS
INVESTMENTS IN 1949-54 AND 1955-59**

	Thousands of Eth.S		Index
	1949-1954	1955-1959	1949-54=100
<u>Grand Total</u>	227,300	316,416	139
<u>Transport Total</u>	217,300	284,916	131
Railways	7,000	10,000	143
Road Transport	127,800	155,600	122
Water Transport	26,900	24,163	90
Air Transport	47,600	89,153	187
City Traffic	8,000	6,000	75
<u>Communications Total</u>	10,000	31,500	315
Posts	-	5,000	-
Telecommunications	10,000	26,500	265

	Structure in %	
	1949-1954	1955-1959
<u>Grand Total</u>	100	100
<u>Transport Total</u>	95.6	90.0
Railways	3.1	3.1
Road Transport	56.2	49.2
Water Transport	11.8	7.6
Air Transport	21.0	28.2
City Traffic	3.5	1.9
<u>Communications Total</u>	4.4	10.0
Posts	-	1.6
Telecommunications	4.4	8.4

TRANSPORT AND COMMUNICATIONS
GROSS OUTPUT 1954 - 1959

	Thousands of Eth.\$		Index
	1954	1959	1954=100
Grand Total	191,300	268,900	141
Transport Total	182,700	256,100	140
Railways	14,300	16,700	117
Road Transport	120,000	170,000	142
Air Transport	27,900	41,300	148
Water Transport	10,400	15,000	143
City traffic	10,100	13,100	130
Communications Total	8,600	12,800	149
Posts	2,000	3,200	160
Telecommunications	6,600	9,600	145

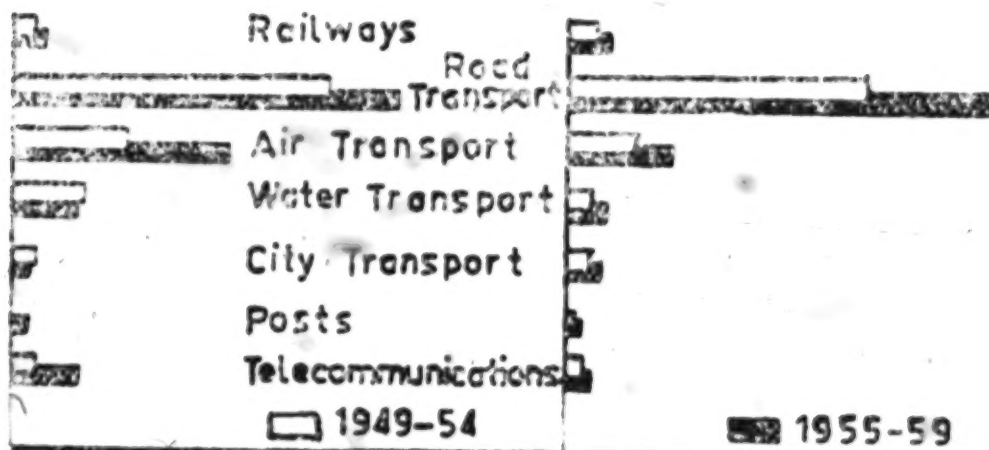
	Structure in	%	Rate of
	1954	1959	growth
Grand Total	100	100	7,1
Transport Total	95.5	95.2	7,0
Railways	7.5	6.2	3.2
Road Transport	62.7	63.2	7.2
Air Transport	14.6	15.3	8.1
Water Transport	5.4	5.6	7.6
City Traffic	5.3	4.9	5.3
Communications Total	4.5	4.8	8.3
Posts	1.0	1.2	9.8
Telecommunications	3.5	3.6	7.8

TRANSPORT AND COMMUNICATIONS TECHNICAL STRUCTURE OF INVESTMENT

	Millions of Eth.\$		Index	Structure	in %
	1949-54	1955-59	1949-54 = 100	1949 = 1954	1955- 1959
Total	227.3	316.4	139	100	100
Studies & Pros- pecting	8.0	17.9	224	3.5	5.7
Land	5.0	12.3	246	2.2	3.9
Building	123.2	127.8	104	54.2	40.4
Equipment	49.1	123.7	252	21.6	39.1
Motor Vehicles	40.0	20.0	50	17.6	6.3
Others	2.0	14.7	735	0.9	4.6

INVESTMENT
1949-54 and 1955-59

OUTPUT
1949-54 and 1955-59



TRADE, CATERING AND TOURISM

Due to the fact that the major part of the economy is of a subsistence character, the internal market is narrow and under developed. The Second Plan, therefore envisages its accelerated development so as to enable it to achieve - in the shortest time - a much more intensive goods turnover, primarily of foodstuffs, followed by raw materials and industrial consumers' goods and finally technical means for agricultural production. On one hand this would reduce the volume and assortment of imports, and on the other it would offer new and varied production for export.

The Coffee Board and other anticipated bodies will undoubtedly contribute to an accelerated development of the internal inter-regional trade, because more attention will be devoted to the quality and assortment of the products. It may also be expected that a better price control will enable a more rational price structure and thus influence the increase of output as well as the goods turnover. Two other factors contribute to this: a more and more developed transport network, particularly the roads, and the Ethiopianization of the personnel in trade enterprises, in retail trade especially.

Accordingly, it may be considered that internal trade will be an important link between production and consumption even in the Second Plan. At the same time conditions will be prepared for a planned and balanced regional development. In this respect internal trade will play an essential role in the establishment of a complex and uniform national market and a strong and integrated economy.

Ethiopia belongs to the small number of countries in the world with many historical monuments, natural beauties, mineral hot springs, climatic conditions, etc. Due to modern air transport facilities tourism will develop rapidly. Measures have already been taken to simplify and facilitate foreign tourist traffic, so that a constant increase of foreign exchange may be expected. There are hotels and restaurants in all the important touristic resorts and their capacities will increase during the coming years.

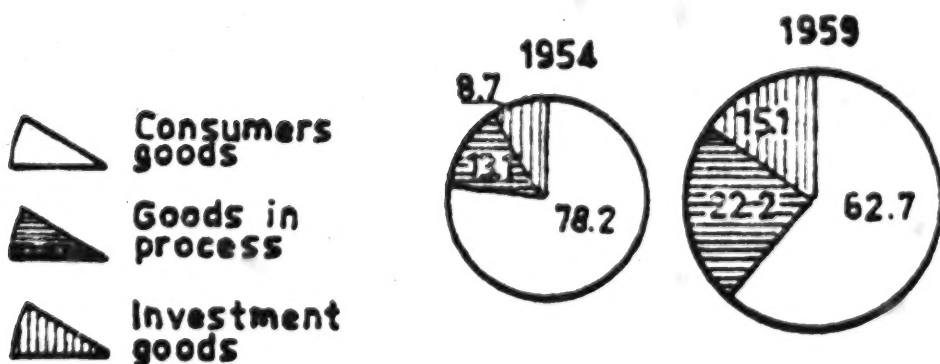
VOLUME OF TRADE
In 1954 and 1959

	Millions of Eth.\$		Index	Rate of
	1954	1959	1954=100	growth
Total	836.8	1,440.6	172	11.5
Consumers' Goods	654.5	903.0	138	6.7
Goods in Process	110.0	318.6	290	23.7
Investment goods	72.3	219.0	303	24.8

For the development of trade it has been forecast that the investment in internal and foreign trade in the 1955-1959 period will amount to Eth.\$ 22.0 million and the increase of stocks at Eth.\$20.0 million.

The development of hotels is confined to the bigger towns and tourist places. It is envisaged that in the next five year period three to five hotels with a total of 600 - 800 beds and 12 -15 boarding houses will be built.

STRUCTURE OF INTERNAL TRADE
1954 and 1959



FOREIGN TRADE

Parallel with the development of industrial and agricultural production foreign trade is the third most important propulsive sector of the economy. The reason for this lies in the fact that internal production is of monocultural character hence large surpluses of the products are directed toward export, while on the other hand a considerable quantity of consumers' goods, goods in process, and particularly equipment and machines need to be imported. Though the Plan does not neglect, still less underestimate, the needs of internal current consumption - in export emphasis is laid on agricultural food products while in import there is a change in structure, i.e., those products are imported which are indispensable to the planned investments in construction, expanded industrialization, modernization of agriculture and transport improvements.

The trade balance deficit basically determines the balance of payment deficit as a whole, and is the result of insufficient domestic saving in relation to the volume of planned investment. However, since the Ethiopian financial situation is expressly sound and firm, the state liabilities, long-term private investments, and the foreign economic and technical assistance will make it possible to keep the balance of payments on the expected level without difficulty.

By introducing of an adequate organization of the bodies responsible for the foreign trade and by introducing new foreign trade measures which will protect the domestic market it will be possible to attain such a mode of international trade which will provide the productional activities with incentive and increase the purchasing power of the people. Besides, by systematically realizing bilateral and multilateral trade, payment, credit, and other interstate arrangements and agreements, there is no doubt that the exchange of goods with foreign countries will expand. This will constitute a reliable basis for the implementation of the foreign-trade plan and of foreign payment, in volume and geographical distribution, as well as in respect of the structure of exports and imports.

EXPORT, 1955-1959

	Millions of Eth.S			In 1954
	Period 1955-59	Year 1954	Year 1959	
<u>Export Total</u>	1,296.9	194.9	327.7	
<u>Agriculture</u>	1,071.0	182.4	237.0	
Coffee	601.0	99.6	135.0	
Hides and Skins	125.0	22.7	28.7	
Pulses	90.0	17.0	18.9	
Oilseeds	96.0	14.9	21.2	
Chat	54.0	10.2	11.0	
Fruit and Vegetables	27.0	4.7	6.2	
Others	78.0	13.3	16.0	
<u>Manufacturing Industry</u>	185.5	10.2	80.0	
Food Industry	159.9	9.6	62.5	
Leather & Shoe Industry	10.1	-	9.0	
Building Materials	4.1	0.1	3.2	
Chemical Industry	4.4	-	3.3	
Other Industries	7.0	0.5	2.0	
<u>Mining</u>	38.1	2.0	10.0	
Gold	13.5	1.9	3.0	
Potash	21.0	-	6.0	
Other	3.6	0.1	1.0	
<u>Handicrafts</u>	2.3	0.3	0.7	

EXPORT, 1955-1959

	Total = 100			Sector = 100	
	Period 1955-59	Year 1954	Year 1959	Year 1954	Year 1959
Export Total	100	100	100	-	-
Agriculture	82.6	93.6	72.3	100	100
Coffee	46.3	51.1	41.2	54.6	57.0
Hides and Skins	9.7	11.7	8.7	12.4	12.1
Pulses	6.9	8.7	5.8	9.3	8.0
Oilseeds	7.4	7.7	6.5	8.2	8.9
Chat	4.2	5.2	3.3	5.6	4.6
Fruit and Vegetables	2.1	2.4	1.9	2.6	2.6
Others	6.0	6.8	4.9	7.3	6.8
Manufacturing Industry	14.3	5.2	24.4	100	100
Food Industry	12.3	4.9	19.1	94.1	78.1
Leather & Shoe - Industry	0.8	-	2.7	-	11.3
Building Materials	0.3	0.0	1.0	1.0	4.0
Chemical Industry	0.3	-	1.0	-	4.1
Other Industries	0.6	0.3	0.6	4.9	2.5
Mining	2.9	1.0	3.1	100	100
Gold	1.0	1.0	0.9	95.0	30.0
Potash	1.6	-	1.9	-	60.0
Other	0.3	0.6	0.0	5.0	10.0
Handicrafts	0.2	0.2	0.2	100	100

IMPORT, 1955-1959

	Millions of Eth S			Index 1954=100
	Period 1955-59	Year 1954	Year 1959	
<u>Import-Total</u>	1.753.4	234.2	419.2	179
Capital Goods	709.1	58.8	179.4	305
Goods in Process	329.8	47.8	89.3	187
Consumption Goods	714.5	127.6	150.5	110

Structure of Imports, 1955-1959

	P e r c e n t a g e		
	Period 1955-59	Year 1954	Year 1959
<u>Import - Total</u>	100	100	100
Capital Goods	40.4	25.1	43.3
Goods in Process	18.8	20.4	21.1
Investment Goods	40.8	54.5	35.6

INVISIBLE EXPORTS AND IMPORTS.

	1955-1959		1954		[1959	
	Credit	Debit	Credit	Debit	Credit	Debit
Total	326.0	455.6	81.9	78.0	118.0	362.0
Services	244.0	302.6	45.6	54.3	67.0	76.0
Transfer						
Payment	118.0	153.0	36.3	23.7	51.0	36.0
Balance	-93.6		3.9		6.0	

EMPLOYMENT

The fundamental characteristic of the economic and social structure of the Ethiopian population is that a large part of the people earn their living from agriculture. This indicates the great reserves of manpower which could be one of the most important factors of economic development.

One of the most important tasks of the Second Five Year Plan is to utilize the manpower more fully in agriculture. This must be accomplished by intensifying agricultural production on the small farms; by utilizing agricultural manpower from time to time on local and regional public works and by developing large-scale commercial farms. By applying these methods the agricultural labor force will become a significant factor in the acceleration of the total economic development.

Due to the growth of the nonagricultural sector, particularly the directly productive industries and social services, nonagricultural employment will considerably increase. The new employment which will be created during the coming five years can be occupied mostly by persons who possess adequate qualifications. The biggest problem is therefore to find an adequate solution for the labor-force training. The whole school system must be adapted to the needs of economic development in order to, provide the necessary number of skilled persons. But the employment policy in the course of the Second Five Year Plan cannot rely only on the systematic training of the young people for their future jobs but also has to reckon with the employment of adult persons who do not have the necessary general and school qualifications, and whom it will be necessary to train for new jobs before employing them.

Together with the economic development, labor legislation gains increasing significance, because more people are being employed, labor relations are becoming more complex, and consequently should be legally regulated. It is necessary that new legislation regulates not only the rights and obligations of the workers and employers but also creates conditions for establishing a system of apprenticeship.

TOTAL EMPLOYMENT 1954 AND 1959

	1954	1959	Index 1954=100	Rate of growth
Grand Total	419.800	560.220	133	5.9
Productive Activities	340.550	472.310	139	6.8
Agriculture	1.300	6.210	478	36.7
Mining	4.550	7.020	154	9.1
Electricity	1.800	2.720	151	8.6
Manufacturing Industry	27.600	57.880	210	16.0
Handicrafts & Cottage Industry	186.000	220.100	118	3.4
Construction	62.800	103.500	165	10.5
Transport	18.180	25.520	140	7.0
Communications	2.220	3.260	147	8.0
Trade	28.500	36.000	126	4.8
Catering & Tourism	7.600	10.100	133	5.9
Economic & Social Services	79.250	87.910	111	2.1
Financial Intermediaries	1.200	1.500	125	4.6
Education & Culture	44.580	47.580	107	1.3
Public Health	9.200	11.600	126	4.7
Community Development	220	260	118	3.4
Government Administration	19.200	21.570	112	2.3
Other Services	4.850	5.400	111	2.2

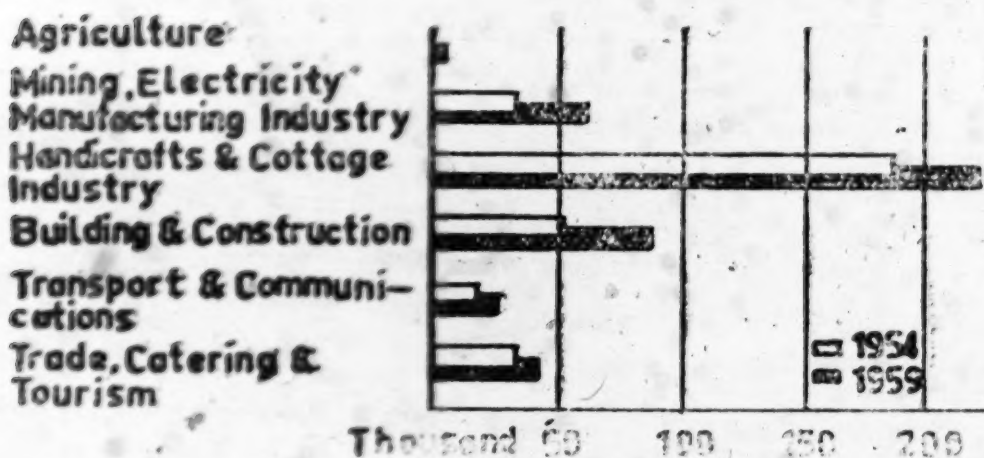
**TECHNICIANS, ADMINISTRATIVES, AND CLERKS
EMPLOYED IN 1954 AND 1959**

	1954	1959	Index 1954=100	Rate of growth
<u>Grand Total</u>	98,080	119,740	122	4.1
<u>Productive Activities</u>	18,830	31,830	169	11.1
Agriculture	340	2,090	615	43.8
Mining	150	370	247	19.8
Electricity	180	410	228	17.9
Manufacturing Industry	2,480	5,780	233	18.4
Handicrafts & Cottage Industry	350	750	214	16.5
Construction	9,700	14,700	152	9.7
Transport	2,480	3,480	140	7.0
Communications	750	1,100	147	8.1
Trade	2,200	2,800	127	4.9
Catering & Tourism	200	350	175	11.8
<u>Economic & Social Services</u>	79,250	87,910	111	2.1
Financial Intermediaries	1,200	1,500	125	4.6
Education & Culture	44,580	47,580	107	1.3
Public Health	9,200	11,600	126	4.7
Community Development	220	260	118	3.4
Government Administration	19,200	21,570	112	2.3
Other Services	4,850	5,400	111	2.2

OPERATIVES EMPLOYED IN 1954 AND 1959

	1954	1959	Index 1954=100	Rate of growth
Total	321,720	440,480	137	6.5
Agriculture	960	4,120	429	36.9
Mining	4,400	6,650	151	8.6
Electricity	1,620	2,310	143	7.3
Manufacturing Industry	25,120	52,100	207	15.7
Handicrafts & Cottage Industry	185,650	219,350	118	3.4
Construction	53,100	88,800	167	10.8
Transport	15,700	22,040	140	7.0
Communications	1,470	2,160	147	8.0
Trade	26,300	33,200	126	4.8
Catering & Tourism	7,400	9,750	132	5.7

EMPLOYMENT OF OPERATIVES 1954 AND 1959



REQUIREMENTS FOR TECHNICAL, ADMINISTRATIVE AND CLERICAL PERSONNEL 1954 TO 1959

	Total Five-year Demand	University Graduates	Secondary School Graduates	Clerks
Grand Total	21.660	1.833	11.700	8.127
<u>Economic Activities</u>	13.000	1.140	5.279	6.581
Agriculture	1.750	200	1.529	21
Mining	220	48	80	92
Electricity	230	80	120	34
Manufacturing Industries	3.300	440	1.800	1.060
Handicrafts & Cottage Industry	400	-	370	30
Construction	5.000	220	600	4.180
Transport	1.000	62	445	493
Communications	350	11	65	274
Trade	600	36	200	364
Catering & Tourism	150	43	70	37
Economic & Social Services	8.660	693	6.421	1.546
Financial Intermediaries	300	30	254	20
Education & Culture	3.000	20	2.600	380
Community Development	40	10	20	10
Government Administration	2.370	530	1.840	-
Other Services	550	4	11	535
Public Health	2.400	99	1.700	601

EDUCATION

Besides on the availability of capital the social and economic progress of the country depends on skilled personnel. However, the targets of education have to be well balanced in accordance with the requirements of the development, especially taking into account the necessary investments and the increase of the running costs of all types of schools.

In the Second Plan the investments in agriculture and industry are strongly accentuated. Therefore a large increase of qualified personnel and in particular skilled manpower is anticipated. Limited financial resources require a carefully designed educational policy with a proper selection of priorities and necessary adjustments of the existing educational system. Education has to emphasize the technical education, taken in a broad sense needed for the expanded economic activities as well as for the social services and administration. The general academic education has to be properly balanced in order to become a necessary link in the educational system.

Primary education gives the background to the unskilled manpower that they may adapt themselves faster to the requirements of modern production activity. It is necessary, therefore, to introduce more technical education and vocational training into the curriculum of primary schools, organizing school workshops, school gardens, etc. Academic secondary schools have to provide future students for advanced education and their capacity has to be co-ordinated with the requirements of higher-education institutions. The large expansion of primary education will demand an adequate increase of primary school teachers. Through specialized secondary schools, the educational system has to provide training for personnel needed in the extended activities.

The new lines of production in industry will require special form of training. Apprenticeship, evening courses, on-the-job training, and other schemes will be introduced. For those who did not have the opportunity to attend school regularly an adult education program should be undertaken and the campaign against illiteracy will have to be further strengthened and expanded.

EDUCATION
ENROLMENT IN THE SCHOOLS, 1948-1953

School Year	Total	Primary	Special	Academic Secondary	Post se- condary
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Number of Pupils

1948	113,294	109,368*	1,495	2,097	334
1949	141,060	135,749	2,217	2,628	466
1950	158,234	150,892	3,243	3,492	605
1951	166,909	158,005	3,648	4,496	760
1952	180,206	170,460	3,646	5,273	827
1953	186,889	176,726	3,598	5,626	939

Index, 1948 = 100

1949	124	124	148	125	140
1950	140	138	217	167	181
1951	147	144	244	214	228
1952	159	156	244	251	248
1953	164	162	241	268	281

Percentage, Total = 100

1948	100	96.5	1.3	1.9	0.3
1949	100	96.2	1.6	1.9	0.3
1950	100	95.4	2.0	2.2	0.4
1951	100	94.7	2.2	2.7	0.4
1952	100	94.6	2.0	2.9	0.5
1953	100	94.6	1.9	3.0	0.5

* Grades : 1 to 8

FINANCING THE EDUCATIONAL PROGRAM

<u>Allotment for the Educational Program 1955 to 1959</u>	Millions Eth.\$	<u>Provisions for Cultural activities 1955 to 1959</u>	Eth.\$,000
<u>Total</u>	165.4	<u>Total</u>	25.038
National Budget	157.4	Capital expenditure	
		of which :	4.833
Primary & Secondary Government schools	118.1	Installations for the television system, short wave station, etc.	3.463
Current expenditure	106.3	Current expenditure	20.200
Capital expenditure	11.8	<u>By sources of financing</u>	
Higher Institutions	39.3	<u>Total</u>	25.038
Current expenditure	24.3	Capital expenditure	4.833
Capital expenditure	7.0	Foreign sources	3.463
Grants to Ethiopian Students abroad	8.0	Budget	1.375
Foreign financing for Haile Selassie University	8.0	Recurrent expenditure	20.200
		Budget	20.200

One of the highest priorities should be granted to broad-casting. It is planned that from the present two-hour daily radio service, the Addis Ababa radio service will by 1959 broadcast a regular 18-hour daily program. It is foreseen that besides building a 100 kW medium-wave broadcasting station a network of transmitting stations local in the seven provinces will be established. In addition a 100 kW short-wave transmitting station will be established.

GRADUATES IN SPECIAL SCHOOLS FROM 1950 - 1954 E. C.

	1950	1951	1952	1953	1954
Total	974	1,075	1,268	1,015	949
Elementary School Teachers	510	448	455	367	355
Secondary School Teachers	6	20	16	17	14
Commercial Education	126	143	196	196	69
Technical and vocational Education	146	171	343	213	264
Agricultural Education	72	79	95	78	85
Public Health Education	80	102	90	103	68
Others	34	112	73	41	94

GRADUATES FROM THE INSTITUTIONS OF HIGHER LEARNING
DURING 1946-1954 AND IN 1954

Institution	Graduated during 1946 - 1954		Graduated in 1954	
	Graduated	Diploma Holders	Graduated	Diploma Holders
Total	550	217	133	25
Faculty of Science	25	56	10	-
Faculty of Arts	291	110	74	15
Engineering College	57	-	-	-
Building College	23	26	19	3
Agricultural College	154	-	30	-
Public Health College	-	25	-	7
Theological College	-	-	-	-

STUDENTS STUDYING ABROAD

	Studying abroad at the end of August 1953	From September 1953 to September 1954		Studying abroad at the end of August 1954
		Gone abroad	Returned	
Total	979	258	166	1,071
Social Sciences	205	51	47	209
Engineering	184	41	39	186
Medical Science	102	50	7	145
Agriculture	121	41	20	142
Education	210	27	16	221
Humanities	78	12	11	79
Natural Sciences	19	7	9	17
Fine Arts	44	11	14	41
Others	16	18	3	31

NUMBER OF PUPILS IN ORTHODOX CHURCH SCHOOLS
FOR TRADITIONAL CHURCH LITERATURE 1954

	Total	Reading & Writing	Zema	Kine	Others
Total	22,370	16,915	4,246	987	222
Addis Ababa	1,803	1,196	410	156	41
Shewa	8,142	6,412	1,404	296	30
Wollo	3,287	2,299	769	158	61
Harar	1,427	1,427	-	-	-
Gojam	2,019	683	1,148	169	14
Other Provinces	5,692	4,893	515	208	76

EDUCATIONAL TARGETS
ENROLMENT IN THE SCHOOLS IN 1954 AND 1959

	Number of Pupils or Students		Index 1954=100	Rate of growth
	1954	1959		
Primary Education- Total	229,933	331,100	144	7.6
Government Schools	180,533	275,900	153	8.9
Non-Government Schools	49,400	55,200	112	2.5
Secondary Schools- Total	30,515	40,450	133	5.3
Specialized Schools	3,721	11,000	296	24.2
Academic Secondary Schools	26,794	29,450	110	1.9
Higher Education - Total	978	1,560	160	9.8
Faculty of Arts	356	500	140	7.0
Faculty of Science	110	200	182	12.7
Engineering College	146	230	158	9.5
Building College	111	160	144	7.6
Agricultural College	195	300	154	9.0
Public Health College	46	150	326	26.7
Theological College	14	20	143	7.4

CLASSROOMS 1954 AND 1959

	1954	1959	Index 1954=100	Rate of growth
Primary Government Schools	4,254	6,304	148	8.2
Secondary Schools	1,010	1,435	142	7.3

NUMBER OF GRADUATES AND SKILLED MANPOWER REQUIRED FOR THE 1955 - 1959 PERIOD

<u>Requirements from the Institutions of Higher learning</u>		<u>Requirements for Secondary level graduates</u>	
Mechanical Engineers	160	Technicians	1,550
Electrical Engineers	107	Agricultural and Forestry	
Chemical Engineers	129	Technicians	928
Civil Engineers	156	Veterinary Technicians	402
Economists	470	School Teachers	2,509
Veterinarians	35	Commercialists	1,340
Agricultural Engineers	175	Other Skills	4,980
Mining Engineers	20	Total	11,700
Forestry Engineers	8	<u>Requirements for skilled manpower - Total</u>	33,100
Physicians	100	Higher skilled	900
Other Graduates	473	Skilled	2,700
Total	1,833	Semiskilled	29,500

Many of the industrial projects which are to be erected under the Second Plan belong to new lines of production (metal working, chemical, industry, etc.), which calls for a development of new skills among the workers. To cope successfully with this problem and to meet the demand for various skills it will be necessary to organize, in advance, special training centers, and to provide them with the necessary facilities. In some cases it will be necessary to send the workers abroad for several months of on-the-job training.

PUBLIC HEALTH

While the First Five Year Plan period could be characterized as the Period of development of «National Health consciousness» the Second Five Year Plan period will be marked by increasing efforts in promoting the health as an essential element of general, social, and economic development. Apart from stressing the social aspects of the prevention of disease and the protection of health, the Second Plan places greater emphasis than hitherto on what may be termed the «co-ordinated» approach to Public Health. It brings to the subject a team spirit and a common understanding which ensures a more thorough and valuable result than would otherwise be possible. Such an approach will enable professional and auxiliary workers in such fields as environmental sanitation, health administration, nursing, health education, maternal and child health, mental health and nutrition to combine their efforts in a substantial contribution towards the achievement of total health.

In order to protect the health of population, the Second Five Year Plan has foreseen the expansion of the existing hospitals and the establishment of new ones. The network of public health centers for at least every 50,000 people and one health station for every 5,000. However, since the numerous problems of national health cannot be solved by merely opening hospitals, high priority will be given to preventive medicine, the object of which will be to forestall in time all the diseases whose treatment would later be much more difficult and expensive. In accordance with this, large projects for the eradication of malaria and for the control of yellow fever, tuberculosis, leprosy and venereal diseases will be carried out. Efforts in this direction will also lead to a decentralization of public health institutions which will meet the needs and wishes of a larger number of the population.

Parallel with all these efforts health education of the population and the development of social hygiene will be carried out.

HOSPITAL FACILITIES

	1954	1959	Index 1954=100
Beds	6,977	9,700	139
Physicians	219	320	146
Nurses	344	580	169
Dressers	1,155	1,868	162
Leprosy Beds (Segregation)	3,370	6,250	185

FINANCING OF THE HEALTH
SERVICES 1955 - 1959

	Millions of Eth.\$
<u>Total</u>	180.9
<u>Domestic Sources</u>	119.3
Budget	114.3
Recurrent expenditure	94.6
Capital expenditure	19.7
Contributions from people	5.0
<u>Foreign Sources</u>	61.6

MALARIA ERADICATION PRO-
JECT

	Year	No. of Sectors	Population Protected
	1955	10	1,000,000
	1956	26	2,600,000
	1957	36	3,600,000
	1958	62	6,200,000
	1959	84	8,400,000
	Year	Training center graduates	Professiona level staff
Recurrent expenditure	1955	140	22
Capital expenditure	1956	254	36
	1957	305	50
	1958	309	58
	1959	309	58

COMMUNITY DEVELOPMENT

The program of community development is assigned an important role in the socio-economic development of the country in general, and in rural development in particular. The main purpose of these programs is to unite the efforts of the people in the communities with those of the governmental authorities, to integrate these communities into the life of the Nation and to enable them to contribute fully to national progress.

In this connection the basic tasks of the community development program are : to mobilize the local resources, to provide basic education to the villagers by elementary schooling hygiene, nutrition, child care, housing and the like; to encourage the people of the community to adopt the habit of self-help and self-reliance; to make the rural community conscious of the importance of common aims, co-operative efforts, etc.

Special attention is to be devoted to the community development program in agriculture, with the aim of laying foundations for a speedy transformation of the traditional subsistence agriculture into the more modern sector. This main task can be achieved only if concerted efforts are made to teach the rural people how to use improved tools, a more productive variety of seeds, to apply cow dung for manuring, how to make hay and silage it for better livestock feeding in the dry season, etc. Connected to these programs will be the need for setting up some other small project such as: water mills, oil presses, nurseries for fruit trees and afforestation, establishing co-operatives, secondary roads, schools, teaching the rural people basic individual and household hygiene and popularizing sanitary practices, the advantages of a more balanced diet, use of furniture, etc.

In order to create basic prerequisites for an extensive realization of the above program, in the coming period an adequate number of skilled personnel will be qualified through corresponding schools and courses. This personnel should present the skilled nucleus for the implementation of the above uniform community development program.

**COMMUNITY DEVELOPMENT
RECURRENT AND CAPITAL EXPENDITURE 1955 - 1959**

	Thousands of Eth.\$		
	Total	Recurrent Expenditure	Invest- ments
Total	25,548	14,775	10,773
Community Development	19,886	10,020	9,866
Training of Community Development program	1,657	1,504	153
Social Welfare	3,300	2,625	675
Training for Social Welfare Program	293	282	11
Labor Exchange	412	344	68

STRUCTURE BY KIND OF EXPENDITURE

	Percentage		
	Total	Recurrent expenditure	Investments
Total	100	100	100
Community Development	77.8	67.8	91.6
Training of Community Development Program	6.5	10.2	1.4
Social Welfare	12.9	17.8	6.3
Training for Social Welfare Program	1.2	1.9	0.1
Labor Exchange	1.6	2.3	0.6

THE PLANNING ORGANIZATIONS OF ETHIOPIA

I. PLANNING BOARD

The Planning Board (1) is presided by His Imperial Majesty Haile Selassie I. The members of the Board are : His Highness Crown Prince Merid Azmatch Asfaw Wossen: high ranking and distinguished personalities the Prime Minister and the Ministers of the Crown. This Board is a policy making body, and meets from time to time to review the overall economic and social situation, and to decide upon major development policies.

II. PLANNING BOARD EXECUTIVE ORGAN (1)

The Planning Board Executive Organ is chaired by H.E Tsehai Taezaz Aklilou Habte Wold ,Prime Minister and Minister of Pen. The members of the Executive Organ are: The Ministers of Finance, Agriculture, Commerce and Industry, Public Works and Communications, P.T.T., Community Development, Public Health, Education, Information, Mines and State Domains, and Governor of the State Bank of Ethiopia.

The Planning Board - Executive Organ is the Executive Body of the Board. It initiates economic and social development policies and measures and gives instructions to Ministries, the Planning Office, technical agencies and other Government and private agencies for the elaboration of economic and development surveys, annual plans and medium and long-term plans. It is responsible for the follow-up of the implementation of the development plans and for the co-ordination of the economic and social development of the Nation.

III. THE PLANNING BOARD TECHNICAL CO-ORDINATION COMMITTEE

This Committee is chaired by the executive head of the Office of the Planning Board. The members of this Committee are executive heads of Planning Units* established in the Ministries and/or agencies dealing with economic and social development. The Committee reviews the various pro-

(1) The Planning Board, Executive Organ and Planning Board Office have been set up by Imperial Order before starting the First Five-Year Plan.

*See 5 of this Appendix

posals and recommendations of the Office of the Planning Board and submits its recommendations to the Planning Board Executive Organ.

IV. THE OFFICE OF THE PLANNING BOARD

The Office of the Planning Board is the Secretariat of the Planning Board and its Executive Organ. It has a technical staff to serve the planning organs as a whole. This Office co-operates with the Central Statistical Office, the Technical Agency, the Planning Units of various Ministries, Haile Selassie 1st University, the Investment Office, the Chamber of Commerce of Ethiopia, and other Planning Organs in carrying out the preparation of development plan(s), evaluation reports about implementation of the plan(s), applied economic and social research, publication and running training courses. It is empowered to have access to economic and social statistical data and reports, and all other relevant facts related to its work, from the Ministries, the Government and private agencies.

The Head of the Office of the Planning Board is the Executive Secretary of the Board. He is assisted by a deputy head and by a Secretary General, heads of sections and other staff members. He is empowered to administer the Office and to deal directly with the Ministries agencies and private sectors of economy, as well as international organizations concerning the preparation, co-ordination and implementation of development plan(s) and research work and training courses.

V. PLANNING UNITS IN THE EXECUTIVE MINISTRIES AND/OR AGENCIES.

Planning Units are established in the executive Ministries and/or agencies headed by senior officials of the Government. The functions of the Planning Units are to plan the activities of their Ministries and agencies, research and statistics, to prepare and follow-up the implementation of the development plan and departmental co-ordination. These Planning Units have direct contacts with the Office of the Planning Board.

The head of each Planning Unit is responsible to his Minister and is liaison with the Office of the Planning Board and with the Planning units of other Ministries and agencies in the course of preparing development plan(s), co-ordination, and in the course of implementation of said plan(s) and research work and training courses. The head of each Planning Unit is empowered to deal directly with the Planning Board Departments, with a view to co-ordinate and inspect the work of the departments and agencies of his Ministry and/or Agency. He is a member of the Planning Board Technical Co-ordinating Committee.

VI. STANDING COMMITTEES

In addition to the Planning Organs mentioned above, there are the following six Standing Committees responsible for interministerial co-ordination and decisions follow-up:

1. Planning and Investment Committee
2. Finance and Credit Committee
3. Trade Committee
4. Social Development Committee
5. Land Reform and Settlement Committee
6. Legislation Committee

Ministries and Agencies in the development sector and the Office of the Planning Board are members of these Committees. Each Committee is chaired by the representative of a Ministry or Agency which is directly concerned with the work of the Committee.

VII. TECHNICAL AGENCY AND DEVELOPMENT FUND are set up under the Planning Board as an additional mechanism, for the furtherance of development plan(s). The Office of the Planning Board, the Central Statistical Office, the Technical Agency and the other organs of the Planning Board work under the direct supervision of the Planning Board Executive Organ.

VIII. Executive Ministries, Agencies, the Chamber of Commerce of Ethiopia and other business bodies participate and co-operate in the preparation of development plans, and are responsible for implementing the approved tasks measures and policies as stated in the development plan(s).

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CORRIGENDUM

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33	24	burdeu	burden
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37	5	Manufacturing	Manufacturing
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	31	exisiting	existing
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51	6	19000	19900
	8	Indusirtial	Industrial
	13	45000 KVA	45000 KVA construction
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54	10	167	197
	11	Marerial	Material

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	23	Electric	Electric
56	4	1.00	1.000
57	16	Operating	Operation
58	7	Industry	Industry
61	29	the	the
63	7	oh	of
	7	existing	existing
65	9	Traffic	Traffic
67	15	particularly	particularly
69	-	Trade	Trade
	6	goods	goods
71	25	0.6	0.0
	25	0.0	0.3
72	15	Investment	Consumption
	19	326.0	362.0
	19	362.0	112.0
73	6	utilize	utilize
	7	utilizing	utilizing
77	8	34	30
	17	254	250
79	1	Academic	Academic
	20	0.4	0.5
82	9	Medical	Medical
84	1	to	for
	7	2509	2500
85	2	period	period
86	17	professional	professional
91	17	committee	committee

**ETHIOPIA
GOVERNORATE
TE GENERALS**

1. Shewa
2. Welo
3. Harer
4. Begemdir
5. Gojam
6. Welega
7. Tigre
8. Eritrea
9. Hubabor
10. Kefa
11. Arusi
12. Gemu Gofa
13. Sidamo
14. Bale

**IMPERIAL
MAPPING &
GEOGRAPHY
INSTITUTE**

ETHIOPIA

